THE TRADE UNION MERGER PROCESS

A STUDY OF TRADE UNION STRUCTURAL DYNAMICS

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ABSTRACT

Previous studies of trade union structure have relied upon the differentiation of taxonomic types. Descriptively, this method fails to account for the evolutionary development of trade union form. Analytically, the categorisation of unions into ideal types and the accentuation of the pure form have acted to emphasise stasis to the exclusion of the dynamic elements inherent within trade union structural development. In order to overcome these shortcomings this thesis relies upon the identification and analysis of the inter-relationships between trade union structural events. There are four such structural events: mergers, formations, dissolutions and breakaways. The central analytical focus is upon the trade union merger process, its causal influences and its relationship with other structural events.

The wave pattern of occurrence observed in aggregate merger activity forms the initial focus. Multivariate analysis is employed to generate a framework within which this pattern is examined. The results of the multivariate analysis suggest a changing relationship between the merger process and its environmental influences during different phases in the institutionalisation of industrial relations. Analyses of the changing shape of merger activity and differences in its form during the two principal merger waves lend further support to the notion that the merger process has undergone an evolutionary development.

The inter-relationships between merger activity and other forms of structural events also suggest variation over time. The pattern in these variations is related to existing explanations of merger activity in order that their merits and limitations can be considered. The extraction of elements of these explanations allows for the generation of an alternative account of the developments in merger activity based upon the integration of the extracted elements.
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LIST OF ABBREVIATIONS AND SYMBOLS

UNIONS

ABS  Association of Broadcasting Staff.
ACA  Assistant Clerks' Association.
ACTT Association of Cinematograph, Television and Allied Technicians.
AEOCS Association of Executive Officers of the Civil Service.
AEOOCS Association of Executive Officers and Other Civil Servants.
AEU  Amalgamated Engineering Union.
AOT  Association of Officers of Taxes.
APEX Association of Professional Executive, Clerical and Computer Staff.
ASBSBSW Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers.
ASCJ  Amalgamated Society of Carpenters and Joiners.
AScW Association of Scientific Workers.
ASE  Amalgamated Society of Engineers.
ASLEF Associated Society of Locomotive Engineers and Firemen.
ASLPA Amalgamated Society of Lithographic Printers and Auxilleries.
ASPD Amalgamated Society of Painters and Decorators.
ASSET Association of Supervisory Staffs, Executives and Technicians.
ASTMS Association of Scientific, Technical and Managerial Staffs.
ASW  Amalgamated Society of Woodworkers.
ATC  Association of Tax Clerks.
AUBTW Amalgamated Union of Building Trade Workers.
AUEW Amalgamated Union of Engineering Workers.
BIFU Banking, Insurance and Finance Union.
BISAKTA British Iron, Steel and Kindred Trades Federation.
CCOA County Clerks Officers' Association.
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<th>Full Name</th>
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<tr>
<td>CMA</td>
<td>Communication Managers' Association.</td>
</tr>
<tr>
<td>COA</td>
<td>Clerical Officers' Association.</td>
</tr>
<tr>
<td>CPSA</td>
<td>Civil and Public Servants Association.</td>
</tr>
<tr>
<td>CPWA</td>
<td>Caxton Printers' Warehousemen's Association.</td>
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<tr>
<td>CSCA</td>
<td>Civil Service Clerical Association.</td>
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<tr>
<td>CSU</td>
<td>Civil Service Union.</td>
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<tr>
<td>CVU</td>
<td>Chemical Workers' Union.</td>
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<tr>
<td>DATA</td>
<td>Draughtsmen and Allied Technicians Association.</td>
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<tr>
<td>DM</td>
<td>Durham Miners.</td>
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<tr>
<td>DWRGLOU</td>
<td>Dock, Wharf, Riverside and General Labourers' Union.</td>
</tr>
<tr>
<td>EETFU</td>
<td>Electrical, Electronic, Telecommunications and Plumbers Union.</td>
</tr>
<tr>
<td>EO(TA)</td>
<td>Engineering Officers' (Telecommunications) Union.</td>
</tr>
<tr>
<td>ETU</td>
<td>Electrical Trades Union.</td>
</tr>
<tr>
<td>FDA</td>
<td>First Division Association.</td>
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<tr>
<td>GMBATU</td>
<td>General, Municipal, Boilermakers and Allied Trades Union.</td>
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<tr>
<td>GMGMA</td>
<td>Government Minor and Manipulative Grades Association.</td>
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<tr>
<td>GMWU</td>
<td>General and Municipal Workers' Union.</td>
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<tr>
<td>IPCS</td>
<td>Institution of Professional Civil Servants.</td>
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<tr>
<td>IRSF</td>
<td>Inland Revenue Staff Federation.</td>
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<td>ISTC</td>
<td>Iron and Steel Trades Confederation.</td>
</tr>
<tr>
<td>LSC</td>
<td>London Society of Compositors.</td>
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<tr>
<td>LSW</td>
<td>London Society of Warehousemen.</td>
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<tr>
<td>MEA</td>
<td>Municipal Employees Association.</td>
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<tr>
<td>MLSA</td>
<td>Ministry of Labour Staff Association.</td>
</tr>
<tr>
<td>NAECT</td>
<td>National Association of Assessors and Collectors of Taxes.</td>
</tr>
<tr>
<td>NALGO</td>
<td>National and Local Government Officers' Association.</td>
</tr>
<tr>
<td>NAOP</td>
<td>National Association of Operative Plasterers.</td>
</tr>
<tr>
<td>NAPVC</td>
<td>National Printers' Warehousemen and Cutters.</td>
</tr>
<tr>
<td>NASUWT</td>
<td>National Association of Schoolmasters, Union of Women Teachers.</td>
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<tr>
<td>NAUL</td>
<td>National Amalgamated Union of Labour.</td>
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<tr>
<td>Acronym</td>
<td>Full Name</td>
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<tr>
<td>NATSOPA</td>
<td>National Association of Operative Printers, Graphical and Media Personnel.</td>
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<tr>
<td>NES</td>
<td>National Electrotypers and Stereotypers.</td>
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<tr>
<td>NGA</td>
<td>National Graphical Association.</td>
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<td>NTWF</td>
<td>National Transport Workers' Federation.</td>
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<tr>
<td>NUAAW</td>
<td>National Union of Agricultural and Allied Workers.</td>
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<tr>
<td>NUBE</td>
<td>National Union of Bank Employees.</td>
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<tr>
<td>NUBMR</td>
<td>National Union of Bookbinders and Machine Rulers.</td>
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<tr>
<td>NUGMW</td>
<td>National Union of General and Municipal Workers.</td>
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<tr>
<td>NUGW</td>
<td>National Union of General Workers.</td>
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<td>NUJ</td>
<td>National Union of Journalists.</td>
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<tr>
<td>NUM</td>
<td>National Union of Mineworkers.</td>
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<tr>
<td>NUPBPW</td>
<td>National Union of Printing, Bookbinding and Paper Workers.</td>
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<tr>
<td>NUPMW</td>
<td>National Union of Paper Mill Workers.</td>
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<tr>
<td>NUPE</td>
<td>National Union of Public Employees.</td>
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<tr>
<td>NUR</td>
<td>National Union of Railwaymen.</td>
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<tr>
<td>NUT</td>
<td>National Union of Teachers.</td>
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<tr>
<td>NUWDAT</td>
<td>National Union of Wallcoverings, Decorative and Allied Trades.</td>
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<tr>
<td>NVQ</td>
<td>North Wales Quarryman.</td>
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<tr>
<td>POEU</td>
<td>Post Office Engineering Union.</td>
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<tr>
<td>PPMM</td>
<td>Platen Printing Machine Minders.</td>
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<tr>
<td>PSWCAU</td>
<td>Printers' and Stationers' Warehousemen, Cutters and Assistants Union.</td>
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<tr>
<td>SALSA</td>
<td>Sun Alliance and London Staff Association.</td>
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<tr>
<td>SCPS</td>
<td>Society of Civil and Public Servants.</td>
</tr>
<tr>
<td>SCS</td>
<td>Society of Civil Servants.</td>
</tr>
<tr>
<td>SDCA</td>
<td>Second Division Clerks Association.</td>
</tr>
<tr>
<td>SGA</td>
<td>Scottish Graphical Association.</td>
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<tr>
<td>SLADE</td>
<td>Society of Lithographic Artists, Designers, Engravers and Process Workers.</td>
</tr>
<tr>
<td>SOGAT</td>
<td>Society of Graphical and Allied Trades.</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>STE</td>
<td>Society of Telecom Executives.</td>
</tr>
<tr>
<td>SVM</td>
<td>South Wales Miners.</td>
</tr>
<tr>
<td>TA</td>
<td>Typographical Association.</td>
</tr>
<tr>
<td>TASS</td>
<td>Technical, Administrative and Supervisory Section (of AUEW).</td>
</tr>
<tr>
<td>TGWU</td>
<td>Transport and General Workers' Union.</td>
</tr>
<tr>
<td>TUC</td>
<td>Trades Union Congress.</td>
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<tr>
<td>UCATT</td>
<td>Union of Construction, Allied Trades and Technicians.</td>
</tr>
<tr>
<td>UCW</td>
<td>Union of Communication Workers.</td>
</tr>
<tr>
<td>UKAPE</td>
<td>United Kingdom Association of Professional Engineers.</td>
</tr>
<tr>
<td>USDAW</td>
<td>Union of Shop, Distributive and Allied Workers.</td>
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<tr>
<td>VCA</td>
<td>Valuation Clerks' Association.</td>
</tr>
<tr>
<td>VOCA</td>
<td>Valuation Office Clerical Association.</td>
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<tr>
<td>WU</td>
<td>Workers' Union.</td>
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<td>YM</td>
<td>Yorkshire Miners.</td>
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**REGRESSORS**

<table>
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<th>Description</th>
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<tr>
<td>$\Delta RW$</td>
<td>Rate of Change of Real Wages.</td>
</tr>
<tr>
<td>$RW$</td>
<td>Level of Real Wages.</td>
</tr>
<tr>
<td>$\Delta WR$</td>
<td>Rate of Change of Money Wages.</td>
</tr>
<tr>
<td>$\Delta P$</td>
<td>Rate of Change of Retail Prices.</td>
</tr>
<tr>
<td>PEAK</td>
<td>Index of Business Cycle Peaks.</td>
</tr>
<tr>
<td>TROUGH</td>
<td>Index of Business Cycle Troughs.</td>
</tr>
<tr>
<td>COMER</td>
<td>Number of Manufacturing Company Mergers.</td>
</tr>
<tr>
<td>UDEN</td>
<td>Level of Union Density.</td>
</tr>
<tr>
<td>$\Delta MEM$</td>
<td>Rate of Change of Union Membership.</td>
</tr>
<tr>
<td>FUNDS</td>
<td>Level of Union Funds per Member.</td>
</tr>
<tr>
<td>FORM</td>
<td>Formation Rate.</td>
</tr>
<tr>
<td>STCONC</td>
<td>State Expenditure as a Proportion of Gross National Product.</td>
</tr>
<tr>
<td>MP</td>
<td>Number of Trade Union Sponsored Members of Parliament.</td>
</tr>
<tr>
<td>REPLEG</td>
<td>Presence of Legislation Repressive to Trade Unionism.</td>
</tr>
<tr>
<td>CON</td>
<td>Presence of a Conservative government.</td>
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1917 Trade Union (Amalgamation) Act 1917.
BREAK Breakaway Rate.
DISS Dissolution Rate.
TREND Time Trend.
DB Union Expenditure on Dispute Benefit.
OTHER Union Expenditure on Other Costs.
PBUB Union Expenditure on Provident and Unemployment Benefits.

OTHER ABBREVIATIONS

Δ The Rate of Change of a Variable.
D-W Durbin-Watson Statistic.
R² Coefficient of Determination, Corrected for Degrees of Freedom.
*** Indicator of a Variable Attaining 1 per cent Significance.
** Indicator of a Variable Attaining 5 per cent Significance.
* Indicator of a Variable Attaining 10 per cent Significance.
EQ. Equation.
INTRODUCTION

SETTING THE SCENE

The objective of this study is to analyse British trade union structural development since 1893 and to explain the evolving pattern of the trade union merger process. Trade union structure is regarded as the 'external shape' (Hyman, 1975: 36) or 'morphology' (Turner, 1962: 233) of trade unionism. As such, it is distinguished, following Clegg, from trade union government, the study of which is focused upon the 'relationship between the various decision-making bodies within a union' (1970: 41). This distinction is not meant to imply that trade union government does not influence the development of trade union structure, but to indicate the central focus of this study.

British trade union structure is noted for its complexity and heterogeneity. Turner states that this reflects the 'deposit of successive waves of trade union expansion' (1956: 58). A primary feature of this heterogeneity in form is the widespread overlapping in trade union memberships, creating trade union structural tensions which induce a continual process of evolutionary development. External influences also impinge upon this development with the result that trade union structure has a continually changing appearance. As Hyman has stated,

the tension between unifying and divisive pressures is in practice almost universal, within individual unions as well as between them: and this gives union structure at any point of time a dynamic character (1975: 41).

While mergers are regarded as resulting from pressures towards unification, this is not to argue that 'divisive pressures' do not
influence their occurrence. Indeed, the observed pattern of merger activity would seem to suggest that a widespread inhibiting effect of divisive pressures on merger activity is dominant throughout the majority of the period under study.

The academic study of trade union structure has rested upon the taxonomic differentiation of unions into 'ideal types'. In broad terms two approaches to such classifications have been adopted, based respectively upon organisational structure and function. For example, Hoxie (1924) structurally categorised American unions into craft, trades, compound craft, quasi-industrial, industrial and labour types, while functionally he delineated four varieties: business, uplift, revolutionary and predatory. In Britain it is customary to distinguish three union types: craft, industrial and general. Descriptively these categories are widely regarded as inadequate, primarily on the grounds that there are no ideal-typical unions in existence. In Britain there has never been an industrial union in the sense that no single organisation has achieved exclusive jurisdiction over all occupations regardless of the procedures employed to define industrial boundaries. 'Few unions completely achieved the [craft] ideal' (Clegg, 1970: 51), it being commonplace to 'bend the rules' to suit specific economic and industrial circumstances. Furthermore, if general unionism is regarded as referring to unions recruiting irrespective of industry or occupation, again the category is inadequate for the recruitment patterns of those unions with general aspirations are shaped by the existence of prior organisational forms which restrict the recruitment bases of the so-called general unions.
In appreciation of the analytical inadequacies of such taxonomies, they are traditionally applied in combination with the notion of membership size to examine the larger unions (for example, by Clegg (1970:43-49) and Hyman (1975:39-41)). Such reviews illustrate the diversity of organisation and the tendencies towards the ideal typical form among larger unions. In focusing upon the larger unions, however, such an approach fails to take into account variations within these tendencies among unions of intermediate and smaller sized memberships. Indeed, it can be plausibly argued that the preoccupation with larger unions, their categorisation into types and the accentuation on the 'pure' form, has acted to obscure the dynamic nature of trade union development. This is particularly the case as these categories do not allow for differences in policy and strategy arising from membership stability, growth and size to be taken into account. Similarly, the geographical coverage of a union's recruitment base is excluded from explicit examination.

Turner (1956 and 1962) attempted to break through the impasse of reliance upon these taxonomic devices. He drew a distinction between two non-mutually exclusive categorical pairs: vertical and horizontal, and open and closed. Each dimension refers to a direction in recruitment growth. Vertical growth refers to a recruitment pattern concentrated within a particular industry regardless of occupation. Horizontal growth indicates a tendency towards recruitment from within a specific occupation or group of occupations regardless of industrial boundaries. An open union exhibits a tendency towards recruitment from within any industry or occupation while recruitment for a closed union is focused
upon the achievement of maximum union density within a defined and constant recruitment base.

Amalgamation is one of the means whereby a union may expand its recruitment base. Throughout the course of a union's development both policy towards, and the direction of, recruitment expansion may change. Similarly, as Hughes argues,

What needs to be recognised, however, in any dynamic interpretation of union structures, is the great empirical importance of intermediate patterns of union response, in which unions may be open in certain directions of recruitment interest, but closed in others. Relative openess, if it is a feature of the environment of a union for some length of time, may profoundly affect the consequent shape (and consequently membership and policy interests) of a union. What in terms of the traditional classification was a pure form may become a hybrid (1967:5).

It follows that recruitment expansion, whether attained by merger or 'natural growth', may act as both cause and effect. If the recruitment base of a union expands, recruitment may become competitive with unions which the original union would otherwise have had no contact. To ameliorate any deleterious effects of competitive recruitment a merger may be sought which, if completed, might create further boundaries of competitive recruitment. In this manner an initial limited opening of the recruitment base may necessitate a more widespread opening to accommodate the consequences of the initial opening.

These 'intermediate patterns of union response' and the difficulties in detecting policy changes towards the direction of 'natural growth' have precluded the widespread adoption of Turner's approach for the empirical study of trade union structural development. More recent studies, such as that of Undy et al. (1981), have reverted, therefore, to the establishment of ever more complex taxonomic
categories and are exposed to similar criticisms as earlier classifications, particularly, their stress upon stasis to the neglect of dynamics.

A further approach to the study of trade union structure has centred upon the notion of trade union concentration. Two elements of this notion have been identified: organisational concentration and membership concentration. Windmüller (1981:43) refers to organisational concentration as being 'the absolute number of organisations at a particular level of the union structure'. Membership concentration is defined by Estey (1966:345) as 'the ratio of the membership of a given number of large unions to total union membership'. Whatever the chosen definition, concentration is a relative concept. As such, any suggestions regarding the effects of changes in union concentration on union structural development should be proffered with some caution.

A number of issues preclude the adoption of concentration as the central analytical concept for the purposes of this study. Firstly, as measured by a concentration ratio, the measurement of concentration does not allow for the analysis of structural developments among smaller unions. For example, assume a concentration ratio of the ten largest unions was employed; that is, the concentration ratio is the ratio between the membership of the ten largest unions and total trade union membership. A merger between the twentieth and the twenty-first ranked unions would not be captured by the concentration ratio, nor would a union formation or dissolution provided such an event did not add to or detract from the list of the ten largest unions.

Secondly, to draw inferences regarding policy and strategy about membership growth, merger and recruitment base expansion from a measure
of concentration is fraught with both analytical and methodological difficulties. Hyman (1983: 41-48), for example, notes the divergent patterns among unions regarding 'devolution and centralisation' in internal union organisation while aggregate union concentration showed a continued tendency to increase.

An approach to concentration employing the 'variance of the logs of size' was utilised by Phelps-Brown and Hart (1957) and Simpson (1972). While this method, unlike the concentration ratio, allows for the analysis to include the impact of smaller unions on structural development, a number of implications arise from the assumptions underlying the variance of logs method which limit its usefulness. Simpson summarises these assumptions:

First, that large, medium and small unions have the same proportionate growth, and second that around this common average the dispersion of growth rates is the same for all sizes. Third, the distribution is lognormal and lastly, that the relative dispersion of the size of unions tends to increase over time (1972: 385).

To restate these points, if a population of unions of equal size experience different growth rates, there will be an increase in the dispersion of sizes. As this process continues so the large unions will become relatively larger which will be reflected in an increase in concentration. Employing such assumptions Phelps-Brown and Hart were able to conclude that

'the rise in the degree of concentration of British unions as measured by the variance, has owed little to the decline in the total number of unions or to 'births' and 'deaths' of unions; and only a quarter of it can be ascribed to amalgamation. Most of it has been due simply to differences in the rates of internal growth of the unions' (1957: 14).

Obviously, the variance of logs method has an initial attraction in so far as there is a substantial body of knowledge available concerning
the properties of the log-normal distribution upon which its application is based. Additionally, tests of statistical significance can readily be conducted on the measures of concentration derived from the characteristics of the distribution. Against these points must be weighed a number of disadvantages. Firstly, to assume that growth is a 'random' process is to disregard the complex of relationships that underlie the phenomenon and, more specifically, the divergent policies adopted by unions towards membership growth. Furthermore, integral to the notion of randomness for the proponents of the variance of logs method is the assumption that union growth is random in relation to economic influences. Bain and Elsheikh (1976) have demonstrated, however, that union membership growth is intimately related to particular economic factors.

Further evidence leading to the rejection of concentration based on the log-normal distribution as the means to study the dynamics of trade union structural development is provided by Hannah and Kay (1977). These authors have demonstrated that the proportion of the tendency towards concentration that can be attributed to merger activity is undervalued through the use of the variance of logs and, in certain circumstances, actually produces a figure which suggests that a merger makes no contribution towards concentration.

If taxonomic categories and the methodology underlying existing approaches to the study of trade union concentration do not provide a satisfactory method to the analysis of the impact of merger activity on trade union structural dynamics, the question arises as to what approach can be usefully adopted? This presentation relies upon the notion of trade union structural events. There are four categories of trade union
structural events: formations, dissolutions, breakaways and mergers. A formation involves the establishment of a union where no organisation existed previously. The dissolution of a union occurs when an existing organisation ceases to exist as an independent entity. A section of a union which cedes to become an independent organisation is a breakaway. A merger occurs when two (or more) unions join together, the independence of (at least) one of the unions being subsumed within the other so that one independent organisation exists where two (or more) did beforehand. It is the inter-relationships between structural events that allow for the examination of trade union structural dynamics. The influences acting upon these dynamics can be studied in isolation or in combination.

As the central focus of the study is upon merger activity, it is to the elaboration of aspects of this structural event that the discussion now turns. Mergers have affected the development of unions of all organisational forms and characters. Single-craft unions, initially the dominant form of union organisation, extended their recruitment bases both geographically and vertically to form unions tending towards national organisation which exhibited kindred craft structures. Mergers were influential in this process. The 'new model' form, formally initiated by the Amalgamated Society of Engineers (ASE) in 1851, was the result of a merger. Similarly, those unions regarded as most closely approximating industrial organisation, the National Union of Railwaymen (NUR) and the National Union of Mineworkers (NUM), were the outcome of mergers in 1913 and 1945. The Transport and General Workers' Union (TGWU) and the General and Municipal Workers' Union (GMWU), the
archetypical general unions, had their origins in multi-union mergers following World War I.

The organisations resulting from mergers need not be similar. As the above indicates, there may be differences in terms of organisational policy, structure and objectives. Furthermore, Chaison (1982b) has identified various degrees of integration among post-merger union governing structures. Drawing the distinction between amalgamations and absorptions, Chaison delineates three degrees of post-merger integration within each merger category, concluding that 'there is considerable latitude in the degrees of integration of governing structures' (1982b: 148). The extent to which fusion of post-merger governing structures is achieved, Chaison argues, is the result of the degree to which such structures are 'compromise solution[s] to the often-conflicting goals of economy and efficiency in union administration and structure on the one hand, and the preservation of the interests of union members, officers and staff, on the other' (1982b: 149).

As there are degrees of post-merger integration of organisation so there are degrees of closer unity which, while often serving similar purposes to merger, do not constitute a merger. Federal forms of union organisation, inter-union working arrangements (for example, recognition of spheres of influence, mutual recognition of union cards and transfer of membership agreements) and other forms of 'strategic alliance' are illustrations of closer unity in which unions maintain their separate identities yet yield a degree of independence. In certain circumstances, which are examined in the body of the text, closer unity arrangements are intermediary between organisational independence and merger. In Britain, for the period covered by this study, legislative provision has
had to be satisfied in order to secure a merger. The distinction between closer unity arrangements and merger is, therefore, determined by the satisfaction of legislative provision.

It follows from the discussion above that merger activity in the aggregate should be regarded as a 'process' along two principal dimensions. Firstly, merger activity embraces changes in union governing structures, policy and strategy. In this sense the ratification of a merger agreement may constitute one incident, albeit an important one, in a series. Hypothetically, two unions may establish closer working arrangements while both are affiliated to a federation. These closer working arrangements may be subsequently formalised by merger which may predate the fusion of governing structures. For example, both formal and informal closer working arrangements were established between the GMWU and the Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers (ASBSBSW) before the 1982 merger between the two unions to form the General, Municipal, Boilermakers and Allied Trades Union (GMBATU). Subsequent to the formal merger agreement, a set of 'core rules' applied to all members which were supplemented by separate rule books to cover the former GMWU and ASBSBSW sections. Similarly, the Executive Council was composed of two sections essentially comprising the Executive Councils of the two constituent unions. Moreover, the ASBSBSW section maintained a separate Annual Delegate Conference which was responsible for the selection of delegates to the TUC and Labour Party. The GMBATU Congress, constitutionally the merged union's supreme authority, was the only formal point of contact between members of the two former unions within the new organisation, delegates being elected for attendance from each GMWU region and ASBSBSW district. While a
timetable was agreed to further the extent of formal integration between the two unions, the point remains that the ratification of the merger agreement was simply a stage along a continuum of integration initiated before merger negotiations commenced.

The second dimension along which aggregate merger activity is regarded as a process relates to its historical role within the development of trade union structure. Trade union structure at any point in time imposes limitations on 'merger search parameters' (Undy et al., 1981:202) through the operation of the 'tensions' inherent in its form. It must also be acknowledged that mergers act to alter trade union structure. In promoting trade union structural realignment, a merger disrupts the nature of the structural tensions thereby establishing a changed set of merger search parameters. In these circumstances the ratification of a merger agreement represents the culmination of a stage of structural development while simultaneously enabling further stages to proceed. It can reasonably be assumed, therefore, that the influences upon the merger process are not fixed but vary, at least in degree, over time as trade union structure and behaviour, within the confines of which merger activity takes place, are transformed.

AN OVERVIEW OF THE AIMS, METHODS AND LIMITATIONS OF THE STUDY

The first section to this introductory chapter outlined the weaknesses in the current approaches to trade union structure with respect to the nature of trade union structural dynamics. An approach to the study of the merger process based upon trade union structural events was advocated as a means whereby the developing relationships within trade union dynamics could be unearthed. Finally, the breadth of the
merger process was discussed. Given that the principal focus is upon the merger process, it remains to be established which aspects of this process lie within the ambit of the study.

Two dimensions to the merger process have been identified: that relating to the ratification of a merger agreement as a point on a continuum of degrees of integration within trade union governing structures, and that focusing upon the inter-relationships between merger activity and trade union structural development. It is to the investigation of this latter dimension of the merger process that this study is devoted. Stating this aim is not meant to imply that the former dimension is disregarded, but to concede that it is only considered in detail in those circumstances in which it impinges upon the study's central focus.

Within these confines three aspects of the inter-relationship between aggregate merger activity and trade union structural development are isolated for detailed analysis. Firstly, the pattern of occurrence of merger activity. A variety of measures are employed to 'capture' the developing form of merger activity on the understanding that reliance upon a single measure obscures its complexity in character. Secondly, the inter-relationships between aggregate merger activity and other forms of trade union structural events. Particular emphasis is afforded to the divergent patterns in these inter-relationships between historical periods in order that the nature of trade union structural dynamics can be more fully elaborated. Thirdly, those factors impinging upon the pattern of aggregate merger activity are examined with the object of moving towards an explanation of this aggregate pattern.
The aims of the study and the reliance upon the analysis of trade union structural events to achieve them necessitates a statistical core to the presentation. Such an approach has achieved popularity in studies of trade union membership growth and strike activity but has rarely been applied to merger activity. Freeman and Brittain regressed the number of American trade union mergers in a given year against a series of variables representing 'economic stagnation and the labor unrest it produces' (1977:179). Freeman and Brittain's approach and the hypotheses attached to it is characteristic in so far as a particular measure is abstracted as the dependent variable and specific economic hypotheses subsequently 'tested'. The object here is broader, based upon the recognition that the merger process takes place within trade union structure and, therefore, is influenced by factors additional to those traditionally labelled as 'economic'. Furthermore, whereas Freeman and Brittain deploy data from 1935 to 1973, a markedly longer time span is utilised for this study in order to accommodate an analysis of the developing historical nature of the merger process and its relationship with trade union structure and behaviour. In other words, this study is not directly concerned with the testing of specific hypotheses grounded in economic theory but with the changing pattern of occurrence of, and the character of influences upon, aggregate merger activity.

In stating an aggregate focus to this study, a number of issues are raised regarding the establishment of a general explanation. Chitayat (1979), for example, stresses that the capacity to generate an overall comprehension of the merger process is limited due to the variation in the circumstances of individual unions. Coady (1976:10, quoted in Chaison, 1982b:199) makes a similar point in stating that 'every merger
is a response to the specific needs of the unions involved, and can be expressed only tenuously by reference to generalised social conditions'. It is, of course, undeniable that the circumstances of individual unions are specific both organisationally and at particular points in time during their development. While the impact of 'generalised social conditions' may effect specific unions according to, for example, their organisational form, it is also manifest that these conditions impinge upon trade unionism as a whole and, therefore, the merger process in aggregate, albeit with different specific organisational effects. In other words, each merger is a specific organisational realignment, imbued with peculiarities, yet is not an isolated event by reference to trade union structure and the factors influencing its development. In recognition of this complexity Chaison comments that

as researchers seek to uncover the common elements in mergers, cases will be made for varied degrees of generalisation. A middle ground will have to be found between overly detailed case studies and sterile aggregate data analyses (1982b:200).

To this end the regression analysis is supplemented by a variety of complementary analytical approaches. Firstly, the current research on aggregate merger activity is purely reliant upon measures of the rate of its occurrence. This study employs additional measures in order that aspects of the merger process apart from frequency can be embraced within the analysis.

Secondly, in selecting a focus upon aggregate tendencies within the merger process, existing case study material is not disregarded but is utilised to inform the analysis of these aggregate tendencies through its complementarity with aggregate statistical analyses. While its use is necessarily selective, such material serves to illustrate the patterns
discerned and allows for comments to be made regarding the extent to which they typify the merger process organisationally and temporally. For example, Undy et al. (1981:167-219) draw generalised conclusions regarding merger activity in the 1960s and 1970s on the basis of four detailed case studies. The method adopted for this study allows both for the situation of these case studies within aggregate merger activity and, thereby, for an analysis to be made of their usefulness as a basis for generalisation.

Thirdly, on the understanding that the study of merger activity is one of an institution in process, an historical dimension is explicitly developed within the analytical framework. This allows for the pursuit of a number of analytical opportunities so far left untouched. Research on trade union behaviour has been influenced by the debates between those researchers respectively advocating the primacy of industrialisation and institutionalisation. The historical grounding to this study allows for the contrasting of the role of these sets of factors in influencing merger activity. Furthermore, this approach provides the opportunity to situate existing case study material not only in cross section but also in time series. Additionally, and of central import to the generation of an aggregate explanation of merger activity, the longitudinal basis to the study permits the investigation of the changes in the nature of the influential factors and the purposes towards which merger activity is directed. This assessment complements the contrasts drawn between the impact on merger activity of industrialisation and institutionalisation.

While the deployment of aggregate data facilitates the generation of an understanding of the merger process in terms of the contours of its
appearance and the relationships underlying its changes in character, there are limitations to such an approach. The exactitude of the case study is necessarily lost as are the influences of the divergent decision-making processes within individual unions. Furthermore, the actions of individual trade union members are subsumed in striving to grasp a comprehension of the interplay of broader social forces. These limitations are acknowledged on the understanding that the objectives of this study, if achieved, will inform the selection of material and manner of research of those areas methodologically excluded from direct consideration here.

Additionally, a number of aspects of the merger process which would assist in the refinement of a general understanding are excluded from detailed scrutiny. These omissions are justified for no reason other than the duration of the project precluded the allocation of time to their analysis. In any case, the research presented here is necessarily prior in the compilation of an overview of the merger process. For example, excluded from explicit analysis are the processes of integration discussed above as one of the dimensions of the merger process, the influence of divergent patterns of unionisation within specific industries, and the impact of merger activity upon the development of the recruitment bases of individual unions. The examination of this material would allow for further refinement of the tendencies discerned and the explanations advanced within this study.

One further caveat concerns the development of the explanatory framework. Initially, this is achieved through the application of regression techniques to aggregate data. A range of variables is employed, each of which is operationalised in terms of economic,
unionisation and political categories. Inter-relationships between and within these categories exist which influence the fluctuation recorded within each variable. In other words, the employed variables cannot theoretically be regarded as being entirely independent. For example, Bain and Elsheikh (1976) have shown that changes in aggregate union membership are influenced by movements in retail prices, money wages and unemployment. Where possible the nature of the complex of relationships influencing merger activity have been elaborated, particularly so in cases involving a variable mediating the impact of another on merger activity. But this elaboration is necessarily limited. To develop the full nature of the complexity of these inter-relationships would require a thesis in its own right. For example, the establishment of a political economy of inflation has been the subject of detailed academic scrutiny since before the onset of the twentieth century. In this context Piachaud comments that

changes in earnings, profits, investment, unemployment and the rate of economic growth, in common with diverse other phenomena, ranging almost to England's batting performance, have all been connected in various ways with the rate of inflation, both as cause and as consequence (1978:88).

While strenuous efforts are made to emphasise the complexity of these relationships, the focus of this study is the development of an understanding of the merger process not the elaboration of a theory of political economy. The inclusion of such a theory would certainly enhance this, and any other 'industrial relations', presentation. Its omission, however, is not regarded as inflicting serious damage to the pursuit of the stated aims of the study, as the regression analysis is applied as a means to indicate trends and tendencies of influence rather than to imply certitude.
The structure of the thesis follows from the formulation of the theoretical and explanatory frameworks presented in Chapters 2 and 3. Chapter 2 also includes the graphical presentation of the wave pattern discernible in trade union structural events - the pattern of events that forms the central focus of the study. The final sections of Chapter 2 and Chapter 3 are devoted to the establishment of a framework within which these data are to be analysed. Multivariate analysis comprises Chapter 4, the results of which inform the directions in which further research is pursued. The manner of application of regression techniques is described within the text in order that the reader can become fully apprised of the particular approaches adopted without breaking to refer to an appendix. In contrast, data sources and the methods utilised in the assembly of original data series are included in appendicies to facilitate continuity in the development of the argument.

Whereas the data presented and analysed in Chapters 2, 3 and 4 concern the rate of occurrence of merger activity, Chapter 5 examines the shape of merger activity within the confines of the framework developed earlier. By way of introduction to the analysis of shape, Chapter 5 assesses the current analyses of merger types and the pattern of the merger process from the perspective of the acquiring unions. Chapter 6 investigates the peculiar pattern of merger activity observed during merger waves. Particular attention is placed on the contrasting features of the two principal merger waves in order to establish the initial areas for investigation in Chapters 7 and 8.

Central to the framework established in Chapters 2 and 3 and consolidated through the multivariate analyses in Chapter 4 is the
distinction drawn between the period of the implementation of collective bargaining and that of the operation of institutionalised industrial relations. Earlier chapters suggest that the merger process exhibits divergent tendencies between these two periods. Chapters 7 and 8, therefore, assess in greater detail the nature of these divergencies. The two chapters are similar in structure to facilitate comparison.

Prior to the conclusions, stated in Chapter 11, are two industrial case studies examining the impact of technological change on the merger process in the printing industry and union structural dynamics within national government. These case studies should not be regarded as directly informing the aggregate explanation, but serve to complement aggregate analyses through the generation of suggestions whereby such analyses may be refined. The literature suggests that technological change has a pervasive effect upon merger activity. This effect is not 'captured' within aggregate analyses. Chapter 9, therefore, investigates this proposition with respect to the printing industry. Chapter 10 extends the aggregate understanding of the inter-relationships between structural events with respect to a particular industry. National government is the industry selected on the basis that the period for which data are available allows for an assessment of almost the entire development of unionism within the industry.

The conclusion consists of an overview of the findings arising from the research and a comparison of these findings with existing explanations of the aggregate merger process. Aspects of these extant explanations consistent with the new evidence presented here are extracted and integrated to form a more comprehensive understanding of the aggregate merger process.
1. For example, the following statement from Hannah and Kay is quite unambiguous:

In our empirical work we compared the actual 1919 distribution of firm sizes in the food industry with a hypothetical distribution incorporating the effects of all mergers occurring in the following twelve years. 58 of the 103 firms in the industry disappear through merger, and the largest firm, Unilever, acquires 19 of them, including seven of its largest fifteen competitors and raises its market share from 22 per-cent to 49 per-cent. The CR5 rises from 39 per-cent to 68 per-cent, and the CR20 from 72 per-cent to 94 per-cent. A clearer case of concentration increase is hard to imagine, but the variance of logs records the process as a modest decline. The logarithmic transformation greatly understates the significance of gains of sales by the largest firm. We can place no reliance on an indicator with these errant properties (1977: 52).
THE WAVE PATTERN OF TRADE UNION STRUCTURAL DEVELOPMENT

Ideally a study of the trade union merger process should commence from the initial phases of industrialisation, during the last quarter of the eighteenth century, when the first craft societies were formed. For, as Lerner comments, the trend toward amalgamation among craft unions is 'almost as old as craft unionism itself' (1968:173). Unfortunately a lack of data precludes satisfaction in this regard. The Chief Labour Correspondent of the Board of Trade was appointed in 1886 and published, during the following year, *The First Report on Trade Unions* which included data on a limited number of unions. While the coverage of subsequent Reports was improved, it was not until seven years later, on the establishment of a Labour Department within the Board of Trade, that the first comprehensive Report for the year ending December 1892 was published. This Report included 'nearly the whole of what may be termed the solid and active Trade Unionism of the Kingdom' (C-7436:2 quoted in Clegg et al., 1964:1). As will become apparent, the use of relative measures for merger activity necessitates the use of statistics from a preceding year; therefore, this study is based on the analysis of data from 1893.

Between 1893 and 1983 trade union membership has become more concentrated, exhibiting a skewed distribution among individual trade unions with a small number of the larger unions coming to organise a higher proportion of the total membership. In addition, the number of trade unions has fallen dramatically from 1,233 at the year ending 1892
to 395 at December 1983. The consequence of these tendencies is that any absolute measure of merger activity is necessarily biased. For example, if 100 unions had been absorbed by merger during both 1893 and 1983, these two set of events would have affected trade union structure to quite different degrees, yet their absolute measures are identical. Therefore, two relative measure are employed: intensity and density of merger activity. Intensity is the number of unions absorbed in a given year as a proportion of the total number of unions existing at the end of the previous year. Density is a measure of the number of trade union members absorbed by merger in a given year as a proportion of the total trade union membership at the end of the previous year.

Following the system employed by the Department of Trade (1970) in classifying company mergers, and adapted by Buchanan (1974:37) to trade unionism, the number of members regarded as absorbed in any merger is the sum of the membership of all unions involved minus the membership of the largest union. Similarly, the number of unions absorbed is the total number of unions involved minus one. Symbolically these measures are represented as follows:

\[
\text{intensity of merger activity} = \frac{UA_t}{TU_{t-1}} \]
\[
\text{density of merger activity} = \frac{N_t}{T_{t-1}} \]

where:

- \( UA \): the number of unions absorbed by merger
- \( TU \): aggregate number of trade unions
- \( N \): the number of members absorbed by merger
- \( T \): aggregate trade union membership
- \( t \): time
Intensity and density are measures of the likelihood of any union or union member being absorbed in a merger during the course of a given year.

OVERVIEW OF THE WAVE PATTERN OF MERGER ACTIVITY

The Aggregate Wave Pattern of Merger Activity

Between 1893 and 1983, 1,619 unions with an aggregate membership of 3,955,676 were absorbed by merger. The pattern of the merger process is illustrated in Figures 2.1 and 2.2 with respect to the intensity and density of merger activity. Five year moving averages are employed to reduce the effect of 'exceptional' years, thereby allowing for the examination of trends in merger activity. The 'wave' form of merger activity, first identified by Buchanan (1974:37), is reproduced for both intensity and density. Since Buchanan utilises only absolute measures in his study, direct comparison is not possible.

Three waves of intensity in merger activity are to be discerned with peaks recorded for the years 1922, 1948 and 1976. The three merger waves run approximately from 1918 to 1924, 1944 to 1948 and 1966 to 1983. It is not clear whether the third merger wave is completed, for the intensity of merger activity has still to return to the pre-wave level. As with the dating of any social process, the beginning and end points are arbitrary to a degree. For example, the first merger wave might have commenced before the outbreak of hostilities in 1914 and having been temporarily curtailed by the effects of the initial war effort. Similarly, the end point of the first merger wave might be regarded as 1926 when the intensity of merger activity first dropped below that reached at the end of 1917.² The closing date of the first
FIVE-YEAR MOVING AVERAGE OF THE INTENSITY OF MERGER ACTIVITY 1877 - 1983
Figure 2.2

Five-Year Running Average of the Density of Miezer Activity 1877-1983 (x1,000)

Density of Miezer Activity (x1,000)
merger wave, 1924, is justified on the grounds that the National Union of General and Municipal Workers (NUMMW), the second of the 'general' unions, was formed during this year, marking the culmination of a distinct phase in the development of trade union structural form. Such indeterminacy apart, the point remains that the intensity of merger activity exhibits a 'pattern of discontinuity'. As subsequent analysis will demonstrate, to shift marginally the limits of the wave features does not invalidate the explanatory argument to be developed.

The 'shape' of the second wave differs from both its predecessor and successor in so far as there is no gradual increase and decline in the intensity of merger activity, but a sharp rise and fall. This is attributable, as Buchanan has indicated, to two specific mergers 'which accounted for almost the whole of the rise in mergers' (1974:42): the formation of the National Union of Mineworkers (NUM) from 44 unions organising 671,860 members and the Institution of Professional Civil Servants (IPCS) from 122 unions with a membership totalling 27,969. In combination, these two mergers constitute 67 per cent of the unions and 86 per cent of the membership absorbed during the 1944-48 period. Furthermore, merger activity between 1944 and 1948 was not as widespread in terms of industrial dispersion as the other wave periods. It would appear, therefore, that the twentieth century merger movement is characterised by two principal periods during which the intensity of merger activity constitutes a 'wave'. Table 2.1 illustrates the differences between wave and non-wave periods in terms of both absolute and relative measures. It is apparent from these figures that not only are there differences between wave and non-wave periods, but also between waves. These are examined in Chapter 6.
A similar pattern to that of intensity is recorded for the density of merger activity. Comparison of the two graphs, Figures 2.1 and 2.2, reveals a number of points to be considered in the following analysis. For example, peaks in the density of merger activity for the principal merger waves are recorded for 1924 and 1971 whereas those for intensity occurred in 1922 and 1976. This suggests that relatively smaller unions were absorbed during the early phase of the first wave, the reverse being the case during the second. Additionally, the density of merger activity recorded for the second wave is less pronounced than that of the first but the merger intensity for both waves is similar. It is concluded, therefore, that the first merger wave constitutes a more fundamental realignment in trade union structure than the second in so far as a greater proportion of union members were involved and were
Figure 2.6

Five year moving average of the formation rate
organised in unions relatively larger in size than those absorbed during the second wave.

The Merger Wave Pattern Among Unions of Different Sizes

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<tr>
<th>Year Range</th>
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<td>1893 - 1900</td>
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Table 2.2 shows the distribution of absorption of trade unions by size groups. For the whole period almost two-thirds of the unions absorbed organised less than 500 members when absorbed whereas only five
organised in unions relatively larger in size than those absorbed during the second wave.

The Merger Wave Pattern Among Unions of Different Sizes

Table 2.2 shows the distribution of absorption of trade unions by size groups. For the whole period almost two-thirds of the unions absorbed organised less than 500 members when absorbed whereas only five
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per cent of the absorbed unions organised more than 10,000 members.
There is a clear inverse relationship between the size of unions and
their frequency of absorption. Significant variation within and between
size groups is also apparent. The proportion of unions absorbed
organising less than 500 members fell throughout the period from a peak
of 90.0 per cent between 1901 and 1910 to 40.9 per cent between 1971 and
1983. This trend does show some fluctuation during those periods,
including the waves, when notable declines in the proportion of such
unions absorbed were recorded.

There would also appear to be differences between the two
principal merger waves in terms of the proportion of unions absorbed
from the two smaller size groups. For example, during the decade 1911-
1920, including the initial segment of the first wave, 72.4 per cent of
unions absorbed organised less than 500 members whereas for the decade
1921-1930 the same measure dropped to 61.7 per cent. This evidence,
indicating that during the initial phase of the first merger wave
smaller unions were absorbed in relatively larger numbers than during
the latter phase, is in contrast to that for the second wave when the
proportion of unions absorbed organising less than 500 members remained
constant throughout the two relevant decades.

Trends for the absorption of unions from the larger size groups are
less apparent as their number is small: only 81 unions of 10,000 or more
members being absorbed in total. It is discernible during those decades
including merger waves, however, that the size of unions absorbed
increased, no union of over 25,000 members being absorbed in a non-wave
period.
Employing the same basis of classification, Table 2.3 illustrates the pattern of membership absorption by merger. Overall more than 50 per cent of trade unionists absorbed by merger were organised into unions of 25,000 members or larger, with less than one per cent of the total membership absorbed coming from unions with less than 100 members. Each decade including a merger wave or part of one was marked by a substantial decline in the proportion of members absorbed from unions in

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the smaller size groups. This evidence supports the contention that the wave pattern in the density of merger activity is strongly influenced by the absorption of unions from the larger size groups. Similarly, the relatively small number of large unions absorbed confirms that organisational stability is conferred through a sizeable membership. It remains to be explained, however, why such unions merge only during merger waves.

Such absolute figures disguise variations in the rate of absorption among the different size groups. Figures 2.3, 2.4 and 2.5, therefore, illustrate the intensity of merger activity among unions classified by size group. The Department of Employment commenced the series of unions categorised by size group in 1937. As the size group classification is consistent from 1938 and three year moving averages are used, the presented data start at 1941. The wave pattern evident in the aggregate data is reproduced for the three size groups. The intensity of merger activity shows an inverse relationship to increasing union size with smaller unions consistently being absorbed at a higher rate than their larger counterparts. Indeed, during the relative industrial stability of the 1950s, the intensity of merger activity among unions organising more than 15,000 members remained at zero. For the principal merger wave covered by the data, intensity among smaller unions is seen to increase prior to that of the larger unions. This suggests that the factors which promote merger activity are either less able to be resisted by smaller unions or, alternatively, that the procedures necessary to achieve mergers are more rapidly completed by unions with a small membership.
Figure 2.3

Intensity of member activity (1962)
Three-year moving average of merger intensity among unions organisng between 2500 and 14999 members.
Figure 2.5

Three-year moving average of merger intensity among unions organizing more than 15,000 members.

Intensity of merger activity (1000)
THE WAVE FORM OF TRADE UNION STRUCTURAL EVENTS

The purpose of this section is to present the data on trade union structural events and move towards an understanding of the inter-relationships in their occurrence thereby laying the basis for the study of the dynamics of trade union organisation. While the focus here is upon trade union structural events, the 'wave form' has been recorded for two other aspects of British trade union activity. Cronin (1979) identified six strike waves since 1888 and Bain and Elsheikh state that 'the growth of aggregate unionism is characterised by cyclical fluctuations of varying amplitude and duration' (1976:1).

The Formation Rate

Figure 2.6 shows the wave pattern for the formation rate of unions. The formation rate is calculated similarly to the intensity of merger activity:

\[ \text{Formation Rate} = \frac{F_t}{TU_{t-1}} \]

where \( F \): number of unions formed in a year

Unions formed through merger and as a result of breakaways are excluded from the formation rate which is based solely on those unions formed where no previous organisation existed.

Two principal peaks in the formation rate of unions are recorded and a third inferred from the decline in the formation rate between 1897 and 1900. It would seem reasonable to assume that the third peak was associated with the birth of 'new unionism' between 1889 and 1893. The majority of the unions formed during this period would, therefore, be expected to be those organising unskilled and semi-skilled labourers excluded from membership of the craft unions. Both the recorded peaks in the formation rate were co-incidental with periods of intense merger
activity. The first, covering the years 1917-1925, was concurrent with the immediate post-war rise in trade union membership and declined with the onset of depression during the mid-1920s. Particularly pronounced during this period was the growth in white-collar unionisation which rose from 672,800 in 1917 to 939,800 by 1925, having peaked at 1,129,200 during 1920. Qualitative changes were also apparent in white-collar unionism:

many white-collar employees were also taking collective action. Unions were formed among bank and insurance clerks; many white-collar unions affiliated to the TUC; various white-collar groups, including teachers, bank clerks, and insurance agents, threatened or undertook strike action; and civil servants demonstrated against the government (Bain, 1970: 142).

It would seem reasonable, therefore, to suggest that a notable proportion of the unions formed during the initial recorded peak organised white-collar workers. Sidney Webb, commenting on a partial list of 'recently constituted' trade unions, drew a similar conclusion in stating that the list 'serves to indicate the contemporary tendency towards trade unionism of clerks, scientific workers and others who have not before shown much desire for combination' (1921: 46).

The absence of any peak in the formation rate during the late 1930s and the period of the 'affluent society' would seem to suggest that union growth, which was marked during both these periods, is an insufficient explanation in its own right for increases in union formations. The rise in union formations during the early 1970s, however, is co-incidental with a 6.8 per cent rise in manual and a 42.9 per cent increase in white-collar union membership between 1970 and 1979. This increase was particularly marked among the 'professions', scientists and technicians. This evidence is, however, no more than
suggestive that the majority of unions formed organised white-collar membership. A further influence on the recorded increase in the formation rate during this period was the Industrial Relations Act 1971 which required the registration of unions. Price and Bain (1976:352) and Crouch (1979:167) report that many staff associations completed the registration procedure. In so doing many of these associations acquired union status thereby contributing to the increase in the formation rate.

The first task is to consider possible explanations for the co-incidence of mergers and formations. Three possible explanations can be submitted. Firstly, newly formed unions are, by definition, unstable in so far as a small membership provides little current income and bargaining relationships need to be generated. Merger may, therefore, take place between newly formed unions in an attempt to 'strengthen' organisation. Implicit in such an explanation is the assumption that the memberships of the newly formed unions are conterminous thereby simplifying the negotiations preceding merger and allowing for rapid amalgamation.

A second explanation is that the relatively unstable newly formed unions faced with competition for membership by more established and stable unions succumb to almost immediate absorption. Superficially this alternative would appear unlikely, for if the membership were prepared for immediate absorption by a larger union it is difficult to explain why they were not prepared to join it in the first place. Unions, however, require an organisational stability as the foundation to effective operation. This explanation is, therefore, based on the premise that such unions fail to achieve organisational stability, the membership accepting absorption as the means whereby trade union
membership cohesion can be retained albeit with a loss of organisational independence.

Thirdly, the co-incidence of intense merger activity and high formation rates can be explained in terms of qualitative differences between the waves of unionisation. The wave of 'new unionism' illustrates the argument. The labourers' unions formed during the 1889-1893 period, according to Hobsbawm's evidence, remained weak and fragile during the 1890s and 'did not fully recover until after the renewed expansion of 1911-14' (1964:182). It could, therefore, be argued that the labourers' unions, formed thirty years earlier, having survived precariously during the intervening years, merged in the post-war merger wave to consolidate organisational stability achieved in the immediate pre-war years. The formation of the Transport and General Workers Union (TGWU) in 1922 and the NUGM in 1924 through merger lends tentative support to such a contention. Similarly, white-collar unions, formed during the post-war expansion of membership, could be regarded as having achieved stability between merger waves which was then consolidated during the second principal merger wave. Buchanan (1981:43) reports an expansion of white-collar union mergers during the late-1960s thereby lending support to this notion of consolidation.

These possible explanations are not mutually exclusive, nor is it supposed that any, or a combination, of these explanations is sufficient to provide a basis for the understanding of the entire merger process. They are considered in detail in subsequent chapters. This later examination does, however, provide a framework within which the relationship between structural events can be unearthed.
The Dissolution Rate

A wave pattern is also revealed in Figure 2.7 with respect to the dissolution rate of unions. The dissolution rate is calculated as follows:

\[
\text{Dissolution Rate} = \frac{D}{TU_{t-1}}
\]

where \( D \) : number of unions dissolving in a year

The number of unions dissolving excludes those unions absorbed by merger.\(^3\) In effect it is the 'death' rate of trade unions.

Four waves in the dissolution rate are observed: 1899-1907, 1920-1933, 1945-1951 and 1973-1980. *Ceteris paribus* it would be anticipated that increases in the dissolution rate would coincide with declines in membership which would accentuate organisational instability. This expectation is not fulfilled. Only for the period 1920-33 was there a decline in aggregate union membership. For each of the other periods increases were recorded: of 33 per cent between 1899 and 1907, 21 per cent between 1945 and 1951 and 15 per cent between 1973 and 1980. The increase in the dissolution rate between 1945 and 1951, however, is the direct outcome of employing a relative measure. For, as was discussed earlier, during 1945 a total of 166 unions were involved in the mergers leading to the formation of the NUM and IPCS. These mergers produced a rapid decline in the number of unions. As the total number of unions is the denominator for the dissolution rate, the relative measure increases although the absolute number of dissolutions remains stable.\(^4\)

Dissolution is the final point towards which organisational instability tends. Accepting this tenet of organisation theory allows suggestions to be made regarding the relationship between merger and dissolution among unions. It is apparent that two dissolution waves
Figure 27: Five Year Moving Average of the Dissolution Rate
follow or are concurrent with periods of high intensity in merger activity. It has been argued that unions merge in order to achieve or maintain organisational stability. It would seem likely, therefore, that an increase in the dissolution rate during or immediately following a merger wave may be attributed to the dissolution of those unions failing to find merger partners and thereby retaining organisational stability.

An explanation for the wave of dissolutions around the turn of the century can be advanced with reference to the formation of labourers' unions. As was noted earlier, Hobebawm has suggested that these unions remained weak until 1911-14. Bain and Elsheikh (1978) have demonstrated that aggregate union membership is strongly influenced by the business cycle. Membership is one source of organisational stability in so far as contributions from members are the primary source of union income. It would, therefore, be anticipated that weak unions are particularly prone to trade fluctuations. The depression of the late 1890s and that between 1902 and 1904 were, therefore, likely to be influential in accelerating the dissolution rate, particularly as the labourers' unions recruited a relatively high proportion of casual and semi-casual workers.

The Breakaway Rate

Between 1893 and 1979 there were a total of 83 breakaway unions formed. Figure 2.8 shows the pattern of occurrence of the breakaway rate. Symbolically the breakaway rate is represented as follows:

Breakaway Rate = \( B_t / T_{U_t-1} \)

where \( B_t \): number of breakaway unions in a year

As with merger intensity and density, the formation rate and the dissolution rate, a wave pattern is apparent in the breakaway rate. Five
Figure 2.9

FIVE YEAR MOVING AVERAGE OF THE BREAKAWAY RATE
waves in the breakaway rate are recorded: 1903-1918, 1921-1932, 1945-1953, 1956-1964 and 1969-1977. As is the case of the dissolution rate the 1945-1953 wave in the breakaway rate can be dismissed as being the result of employing a relative measure. Four waves, therefore, remain to be explained. These waves can usefully be regarded as two pairs, each pair being separated by a gap of no more than five years duration.

The principal merger waves both overlap with the second breakaway wave in each pair. Lerner (1961) and Hemingway (1978) contend that a primary influence stimulating breakaways is a higher degree of union centralisation which, they argue, acts to limit leadership responsiveness to the needs of particular sections of the membership. The merging of two unions involves a heightening of the degree of centralisation. A partial explanation for the increase in the breakaway rate, therefore, may be based on the assumption that they occur in response to the greater centralisation within union organisation arising from merger activity. Merger activity and breakaways might, however, also be mutually reinforcing. An increase in the breakaway rate may lead to a heightening in merger intensity as the breakaway unions seek merger as a means to enhance organisational stability. This tendency would be expected to be more pronounced during the later years of the period under study for, as Lerner (1961) demonstrates, the effectiveness of the TUC in limiting the capacity of breakaway unions to attain organisational stability is marked during the years following World War II. In other words, the data so far deployed do not allow for the assignment of causality between the two structural events.

Whatever the direction of this causality, this explanation cannot be used as the basis for the development of an understanding of the
first breakaway wave in each of the pairs requiring explanation. A second source of centralisation within trade unionism is an increase in trade union membership. Between 1903 and 1918 aggregate trade union membership rose from 1,872,000 to 6,471,000 whereas between 1956 and 1964 membership declined by 8,000 from 7,562,000 to 7,554,000. Greater union centralisation arising from an increase in membership might, therefore, provide the basis of an explanation to the wave in the breakaway rate between 1903 and 1918, but is unlikely to do so for the period 1956 to 1964.

Despite the variation in method employed in the study of concentration, researchers agree that there is a tendency towards increased concentration among British trade unionism. The greater the degree of concentration of membership the greater the degree of centralisation. Hence a further alternative explanation for the waves in the breakaway rate between 1956 and 1964 and 1969 and 1977 rests on the notion that rising concentration stimulates breakaways. From this explanation it follows that breakaways would be expected to take place from the larger unions into which trade union membership is most heavily concentrated. This proposition is examined in subsequent chapters.

**Towards a Theoretical Framework**

*Existing Explanations*

The wave pattern evident in the indices of trade union structural events presents analytical difficulties for those theorists basing their explanation of trade union structural development on the evolutionary maturation of union form. Pelling (1972:283), in assigning 'the
continuity of particular unions' to 'the evolutionary character of our political history' is clearly well wide of the mark. Institutionalisation theory identified, with respect to trade union structure, with the work of Lester (1958) also appears inadequate as a means to explain the wave form. Lester argues that trade union structural change would be expected to occur prior to and during the introduction of collective bargaining institutions. Following this introduction he would anticipate a decline in the rate of union structural change as 'consolidating tendencies', such as inter-union arbitration procedures and no-raiding agreements, 'underwrite the existing structural system'. While it is unjustifiable to assign a specific date to mark the introduction of collective bargaining, there can be little doubt that collective bargaining had been firmly established prior to the onset of the second principal merger wave. Institutionalisation theory, therefore, leaves this second merger wave unexplained.

Clegg (1970) places a similar emphasis on the evolutionary nature of union development, a process influenced by the implementation of collective bargaining arrangements and the growth of employers' associations. In a later work (Clegg, 1976) he asserts that the 'level of collective bargaining is the primary explanatory variable' of trade union structural development. The pattern of occurrence of merger activity lends support to this explanation, for co-incidental with the two principal merger waves was the growth of shop steward organisation. While this development does not necessarily infer changes in the level at which collective bargaining is conducted, its growth does influence the scope of issues covered at plant level. Furthermore, the state of
development of shop steward organisation is an influence upon the
'distribution of power within unions' which Clegg (1976:40-54) also
assigns as a determinant of the rate of union structural change.

In designating the level of bargaining as the primary determinant
of union structural change, Clegg's explanation is subject to question.
For, as Warner (1977:297) has argued, it is far from clear that
bargaining structures are not subject to the impact of wider
environmental influences and should, therefore, be treated as
intervening variables. Ramsay (1980:106) illustrates the argument:

these [collective bargaining] procedures appeared at times when
employers were put under pressure, in particular by tight labour-
market conditions. At times of high unemployment they resisted
any calls for institutions of collective bargaining as infringe-
ments on their sacrosanct authority.

Furthermore, if unofficial shop steward organisation is a pre-requisite
for changes in the level of bargaining, an explanation must be offered
as to those factors which influence the extent of shop steward
organisation. Undoubtedly environmental pressures are also influential,
as Hinton (1973) has demonstrated, again lending support to Warner's
contention.

Two theoretical explanations of trade union structural development
are based upon the explicit recognition of its non-linear pattern.
Bernstein stresses the notion of the 'structural cycle', commenting that

when unions are growing slowly and steadily, they need make
only slight changes in form to accommodate themselves to their
environment; ... With crisis however both the rate and
direction of growth shift drastically. As a consequence, the
really critical developments in the morphology of unions ...
tend to cluster in these brief time spans (1960:73).

It is 'crisis' during 'periods related to social unrest' that Bernstein
regards as influential to union structural change. Dunlop's (1948:191)
analysis bears some resemblance, in arguing that such change occurs during periods of 'fundamental unrest' arising from 'a basic dissatisfaction with the performance of the economic system and society in general'. These periods, Dunlop argues, occurred during the bottom of the downswing of Kondratieff cycles. Cumulative grievances, with their source in 'severe depressions', are regarded by Dunlop as strengthening in union structures, and hence bargaining strength, in an attempt to remedy the deterioration in the living standards of trade unionists.

The evidence available in Figure 2.1 offers partial support to the explanation advanced by Dunlop. Both principal merger waves occurred during the downswing of an economic long cycle. It is immediately following the turning point from the upswing to the downswing, however, that merger activity is at its most intense. While the second principal merger wave continues through to the bottom of the downswing, the first is restricted to the initial phase of the downswing.

This point regarding timing apart, long cycle theory does lend partial support to Dunlop's contention regarding merger causation. For, following the turn from the upswing to the downswing, workers' expectations can no longer be met. Economic stagnation, in particular the tightening of profit margins, precludes the continuation in the rate of improvement in living standards prevalent during the upswing, thereby promoting dissatisfaction. Merger in this context can be viewed as a means to improve the 'bargaining strength' of trade unions with the object of securing better labour market terms and conditions. The coincidence of worker dissatisfaction and intense merger activity does not imply causality. However, as has been documented with reference to other aspects of worker behaviour - namely membership growth (Bain and
Elsheikh, 1976) and strike activity (Cronin, 1979 and Edwards, 1981) - economic fluctuation has had a continual, but uneven, influence upon the pattern of development. Unlike the study of membership growth and strike activity, the study of trade union structural development is one founded on the notion of an institution, trade unionism, in process. It is, therefore, to the institutional form prevalent during each economic long cycle that the next section of this chapter is devoted, with the object of generating a framework within which merger activity may be analysed.

Long Cycles

The purpose of this section is to outline an explanatory framework within which the analysis of merger activity is developed. As such, the intention is not to 'prove' the existence of long cycles through the deployment of a vast range of data but to generate working hypotheses against which the evidence on merger activity can be examined. Trade unions are then examined from an organisational perspective and located within this explanatory framework, allowing preliminary suggestions to be made regarding the 'purpose' of merger.

Following a lineage traced back to Kondratieff, it is assumed that there is a cyclical pattern of economic development, each long cycle being of approximately fifty years duration. Each long cycle is regarded as comprising of two periods. Firstly, an upswing characterised by rapid growth, high rates of profit and the expansion of previous patterns of production. This is followed with a downswing marked by crisis and economic stagnation. During the upswing of the long cycle, business cycles are characterised by intense upturns and short
depressions whereas the converse is the case for the downswing. Both upswing and downswing are of similar duration.

A number of dating systems for long cycles are available: for example, Gordon et al. (1982:9), Mandel (1980:1-36) and Hansen (1940:30). Marginal differences between these systems are apparent. For the purpose of this study, however, Mandel's dating system is adopted, because those of Gordon et al. and Hansen are based primarily on American data. It is as follows:

1893 - 1913 Upswing Long Cycle 1
1914 - 1939 Downswing
1940(46)' - 1967 Upswing Long Cycle 2
1968 - 1983(not yet complete) Downswing

The adoption of this (or indeed any other) dating system is to imply a degree of precision not readily applicable to social processes. As was noted with respect to the dating of merger waves, however, these distinctions are justified as analytical mechanisms allowing for the generation of an historical framework within which the examination of trade union mergers can be conducted.

Implicit to the theory underpinning long cycles of economic development is the assumption that institutional form differs between long cycles. This tenet is substantiated with reference to 'industrial relations' institutions. For example, the period 1893 - 1939, the first long cycle under consideration, was distinguished by the implementation of national collective bargaining arrangements. Clegg et al. comment with respect to the period 1889 to 1910 that

the development of collective bargaining was the outstanding feature of the period. In 1889 only cotton weaving had a national
By 1910 national agreements had also been signed in engineering, shipbuilding, cotton spinning, building, printing, iron and steel and footwear. Moreover, almost every other well-organised industry had evolved its own system of collective bargaining (1964:471).

While for the following period Clegg states that 'between 1910 and 1933 the coverage of collective bargaining may have increased as much as threefold' (1985:549).

Between the culmination of World War II and 1983 industrial relations can be characterised through the operation of the institutionalised system. The dominant institutional developments were the establishment of tripartite bodies with the object of extending participation, thereby reducing 'the area of conflict between unions and capital by taking union leaders into a structure in which they could be persuaded to co-operate and adopt the views of government and industry on economic priorities' (Crouch,1979:21). In tracing this development, Allen (1960:34) notes that by 1939 union representatives sat upon twelve government committees, a number that had risen substantially to 60 by 1948-49 and up to 81 by 1951-52.

The two long cycles of economic development identified within the period under study are, therefore, as follows: 1893-1939, characterised by the implementation of collective bargaining and 1946-1983, distinguished through the operation of institutionalised industrial relations. The distinction between these two cycles provides the operational basis to the multivariate analysis included in Chapter 4. By way of introduction to Chapter 4 and developing the contrast between the upswing and downswing within each long cycle Table 2.4 shows the extent of merger activity during these periods.
### TABLE 2.4

**INDICES OF MERGER ACTIVITY BY LONG CYCLE OF ECONOMIC DEVELOPMENT**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Upswing</td>
<td>Downswing</td>
<td>Upswing</td>
<td>Downswing</td>
</tr>
<tr>
<td>Number of Mergers per year*</td>
<td>13</td>
<td>18</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Number of Unions Absorbed per year*</td>
<td>17</td>
<td>24</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Number of Members Absorbed per year*</td>
<td>7,117</td>
<td>56,925</td>
<td>22,530</td>
<td>77,468</td>
</tr>
<tr>
<td>Formations through Merger per year</td>
<td>1.71</td>
<td>3.36</td>
<td>1.27</td>
<td>1.88</td>
</tr>
<tr>
<td>Average Intensity (x100)</td>
<td>1.33</td>
<td>1.91</td>
<td>1.09</td>
<td>3.27</td>
</tr>
<tr>
<td>Average Density (x100)</td>
<td>3.50</td>
<td>9.04</td>
<td>2.81</td>
<td>6.92</td>
</tr>
</tbody>
</table>

*: rounded to nearest whole number

All indices record a lower value for merger activity during the upswing by comparison with the subsequent downswing. Trends between the two long cycles for which data are available illustrate the tendencies towards concentration of membership and the decline in the aggregate number of unions. The average size of unions absorbed during downswings is larger than that of unions absorbed during upswings, supporting the notion that merger activity is not only more intense but also involves a wider range of unions. Additionally, the larger number of unions formed through merger during downswings lends support to Dunlop’s (1948) contention that a more fundamental realignment in union structure takes place during these periods.
Trade Union Organisation

The immediate social structure within which trade unionism is located both acts upon and is influenced by trade union activity. The purpose of this section is to locate trade unions as organisations within the framework of institutions comprising their immediate social context in order to move towards an understanding of the nature of the influences that impinge upon trade union structural development. As such, this section is not concerned with the development of a taxonomic categorisation of union organisational form but with aggregate trends and tendencies. This is not to dismiss the significance of variation within the trade union form but to acknowledge that such variation is most beneficially studied in the light of established trends and not vice-versa.

Within any social structure of accumulation there is endemic competition of interests between workers and employers. As the labour process is collective, workers' organisation is promoted by the production process. Trade unions are, therefore, 'secondary' or 'reactive': 'their existence and activity presuppose the existence of economic institutions employing wage-labour' (Hyman and Fryer, 1975: 158). As a consequence of their secondary character, trade unions are both historically and geographically specific in so far as trade union members are employed within institutions separate from unionism, the character and location of which are largely independent of trade union influence.

Writing from within the mainstream of organisation theory, Pfeffer states that 'the operations and decisions of organisations are inextricably bound up with the conditions of their environments'
(1972:382). As it is beyond doubt that trade unions fulfill criteria consistent with their definition as organisations, it is to be expected that organisation theory should provide insights as to the nature of trade union behaviour. Reference to the literature on organisation theory and organisational behaviour, however, provides little assistance with respect to the analysis of trade union behaviour within the constraints provided by its social context. Two aspects of the conventional wisdom on organisational behaviour are problematic in the study of unionism. Firstly, exactly what constitutes trade union behaviour is not simply defined. A particular course of action formally sanctioned through agreed constitutional provisions need not be consistent with 'unofficial' action, yet both actions fall within the ambit of trade union behaviour. This point can be illustrated with reference to strike activity. A strike involving all members of a union constitutes 'trade union behaviour' in so far as all sections of the organisation purposively pursue an agreed policy as a single body. By comparison, a local dispute supported by a small proportion of the overall membership is more commonly classified as 'shop-floor' or 'unofficial' action. This is still trade union behaviour, however, in the sense that those involved are solely trade union members.

Secondly, the simple hierarchy commonplace within organisations forming the focus of mainstream organisation theory is not replicated within trade unions. Constitutionally, trade unions embody the principles of 'democratic' organisation in which control is 'a two-way process'. As Hyman and Fryer argue, the rationale of a union is that it pursues the interests of its members and is in the last resort controlled by them. While the full-time officials who form its leadership may possess specific authority over the rank and file, this is itself
constitutionally derived from the members themselves, who can assert their will through such processes as conferences and elections (1975:157).

Both of these shortcomings of organisation theory have their root in the relationship between the various sections to be found within a union. Industrial relations literature abounds with work reliant upon a simple dichotomy drawn between union leadership and the rank and file. But, as Hyman has argued, a dichotomous conception of power in unions ... obstructs analysis and ultimately confuses strategy' (1979:61). The adoption of such a dichotomy precludes the consideration of positions intervening between leadership and rank and file such as the area organiser and the full-time plant convenor.

For the purposes of this study, following Muller-Jentsch (1981:4), trade unions are regarded as 'intermediary organisations'. As such their policies are founded upon the 'pragmatic resolution of differences between the interests of capital on the one hand and labour on the other'. The primary implication arising from the adoption of this approach is that trade unionism is both 'goal-oriented and system-dependent'. In other words, unions as organisations are concerned with the transformation of membership expectations into workable policy within the bounds of external constraint arising from the social structure of accumulation. Muller-Jentsch schematically describes the internal union processes involved in this transformation as follows:

It [the union] does this first, by interpreting the existing economic and political conditions which are given, and which cannot be changed in the short-run (interpretation of the situation); secondly, by transforming more or less clearly articulated expectations of individual groups into collective demands (formulation of interests) and thirdly, by choosing the best means for realising these, whilst taking into account those interests central to the organisation as a whole (choice of strategy). In the course of this mediating process, the existing economic and political conditions on the one hand and
the spectrum of members' factual and political interests on the other (organisational input) are transformed by internal processes of selection into union strategies and policies (organisational output) (1981:20).

Merger is, therefore, one possibility for 'organisational output'. As organisational output is directed to the achievement of goals, however, it is towards an understanding of union goals that the argument is now directed. Once these are established, it is then possible to situate merger with respect to their achievement.

Considerable ambiguity surrounds the notion of trade union goals. Indeed, accepting that a union is not necessarily a single entity with respect to action is to imply that there are likely to be many intended goals at a single point in time. A preferred goal adopted as policy is, therefore, just as likely to have its basis in conflict between options as in agreement. While there are differences in strategy, the overriding function of trade unionism is regarded as being to influence the terms and conditions operative within the labour market. The dominant methods whereby this influence is maintained are subject to development as the Webbe illustrated with respect to the trichotomy of mutual insurance, legal enactment and collective bargaining.

Given the uneven tendencies inherent within the development of industrial structures, it is evident that conditions among workers vary along lines of workgroup, occupation and skill. It is, therefore, necessary to generalise with respect to the notion of 'terms and conditions operative within the labour market'. In general terms issues central to trade unionism are those impinging upon the employment relationship, such as the protection of jobs, improvement of real income and the shortening of working time. As was discussed earlier, collective
bargaining has been the predominant method utilised by trade unionists to achieve these goals during the period under study.

Two implications arise from reliance upon collective bargaining. Firstly, possible strategic objectives are pragmatically defined as unattainable as agreement from management would not be possible. Secondly, and of more central significance to the thrust of the argument, is that a reliance upon the 'method of collective bargaining' engenders goals initially peripheral to the central purposes of unionism yet essential to their attainment. Among these are the requirements for organisational stability and security, and administrative effectiveness.

The pursuit of organisational stability derived from financial strength, membership cohesion and employer recognition exacerbates contradictory tendencies within unionism. Strong financial reserves, for example, may be regarded as a prerequisite to the pursuance of a 'militant' industrial policy reliant upon the extraction of concessions through costly strike activity. Accepting this to be the case, in some circumstances the attainment of financial strength may become the primary goal. Furthermore, the absence of financial strength may preclude the adoption of an aggressive industrial policy. For example, one of the prime institutional 'benefits' arising from the 'new model' form was the centralisation of financial control which allowed headquarters staff to influence workshop activity through the release or with-holding of funds. Often associated with the goal of administrative effectiveness is the tendency towards formalisation, bureaucratisation and professionalisation of internal union processes. The rise of full-time union staff acts to promote a stratum within the union with vested individual interests - salary and pension rights - in the organisation.
This tendency has been compounded through the growth of 'membership services', such as research, legal and education departments, imposing further demands upon finance.

Trade union behaviour can, therefore, be regarded as directed towards the achievement of two principal goals. The overriding objective is to influence terms and conditions in the labour market. As collective bargaining is the predominant method whereby this influence is achieved, the attainment of organisational objectives prerequisite to effective bargaining is also central to trade union purpose. Drawing this distinction is not to imply that the former is the sole concern of the membership and the latter of trade union leadership, but it is recognised that consciousness of the two functions is subject to distinction. For example, changes in the terms and conditions of employment have an immediate effect upon the membership whereas the membership is made aware of organisational requirements through the actions of the leadership.

Merger as a Strategy Towards Goal Achievement

Having established the goals to which trade union activity is directed this section is focused upon merger, as a purposive strategy, to assist in their achievement. In other words, how does merger as 'organisational output' allow unions to more effectively influence terms and conditions of employment and achieve organisational objectives prerequisite to effective collective bargaining? Since 1876 in Britain the terms whereby merger can be achieved have been prescribed through legislation. In consequence merger cannot be achieved without the formal sanction of the union executive irrespective of the source of impetus
towards merger. G.D.H. Cole develops the point that even with 'rank and file' initiative executive action is required in stating that these movements towards amalgamation may be divided into two types - official movements, in which the Executive Councils and other governing bodies meet for the purpose of achieving closer union of forces; and unofficial, or rank and file, movements, in which the rank and file members of different unions meet for the purpose of propaganda on the subject of amalgamation and of stirring the official bodies to act more promptly and decisively (1918: 46).

The organisation of ballots and the negotiation of terms and conditions to be included in the merger agreement are usually left to the executive before being submitted to a ballot of the membership.

With respect to influencing the labour market, merger is viewed as a means whereby bargaining strength may be increased (Buchanan, 1974: 40; Freeman and Brittain, 1977: 174). Bargaining strength, however, does not have its basis in membership numbers alone, for in order to be effective the single union resulting from a merger must be capable of unified action. For example, a merger between two unions organising membership in the same industry and trade is likely to produce a union of greater bargaining strength than one involving two unions the membership of which are dissimilar and whose labour market interests may differ. As Freeman and Brittain comment, 'similarities supplement each other and form the basis of solidarity' (1977: 174). This is not to dismiss the benefits arising from increased size which, in theory, allows for the taking of more widespread industrial action thereby bringing pressure to bear on a larger number of employees. Additionally, the TUC (1947) argue that the presentation of a single claim promotes better results from bargaining as separate claims submitted on behalf of workers engaged in similar occupations can be decisively exploited by managements.
Bargaining strength is a direct influence upon labour market terms and conditions in so far as bargaining is conducted directly with management. Influence upon these terms and conditions may also be exercised through effecting the formulation of government policy. The influence of unions in this regard has been particularly marked during the post World War II period. As Crouch comments:

several major developments can be dated back to the war ... the involvement of trade unions in government policy-making bodies over wide areas of the economy; ... the emergence of a centralised trade union leadership which was prepared to reach understandings with governments and which then had the power to enforce acceptance of the results on its membership (1979:19).

Trade union influence at both the TUC and Labour Party conferences is dominated by those unions with large memberships as a result of the voting systems employed. Merger may, therefore, be sought as a means to increase membership size thereby enhancing the influence that can be brought to bear at these conferences.

Organisational benefits arising from merger are customarily described under the heading 'economies of scale'. As Chitayat states for example,

Substantial economies of scale permit unions to obtain certain advantages:
1. Increasing financial resources and the union's net worth.
2. Organising campaigns by large scale activities.
3. Utilising professional staff and technology in preparing and negotiating new contracts.
4. Centralising staff departments to serve the union's units.
(1979:5)

Additionally, merger allows for the centralisation of union authority, thereby, improving administrative effectiveness. This tendency can be overstated, however, for a merger of two unions organising divergent memberships raises issues which run counter to the achievement of administrative effectiveness. The interests of 'new membership' may
require negotiating and administrative expertise not available to the original union. The pursuit of membership growth is essential to organisational stability as it is from membership contributions that union finances are primarily derived. Merger constitutes a means whereby the limitations upon the extension of recruitment laid down within the 'Bridlington provisions' can be circumvented. In this way unions with a declining or static membership can enter expanding areas of recruitment.

CONCLUSION

This chapter has established the wave pattern in trade union structural events. Other aspects of trade unionism, membership growth and strike activity, were also noted as occurring in waves. Two principal waves in merger activity were identified covering the periods 1918-1924 and 1968-1983. A third peak in merger activity was attributed to the formation of the NUM and the IPCS. Disaggregated merger activity by size group of the unions involved resulted in the replication of the wave pattern. Larger unions cease to be absorbed during the periods between merger waves, hence supporting the notion advanced in the literature that large membership size confers organisational stability. It follows, of course, that those factors which impinge upon union structure to promote a heightening of intensity in merger activity during the merger waves do so to the extent of stimulating organisational instability among even the larger unions.

A wave pattern was also established for other trade union structural events: formations, dissolutions and breakaways. Two of the three waves observed in the formation rate were largely concurrent with those in merger intensity. Three explanations were posited as to the
nature of the relationship between the formation rate and merger intensity. Firstly, that the organisationally unstable newly formed unions merge with each other in order to enhance or maintain organisational stability. Secondly, established unions engage in competitive recruitment with the newly formed unions which are thereby forced into merger due to the inequality of this competition. Thirdly, the co-incidence of formations and mergers may be explained in terms of waves of unionisation. Unions formed during one wave of unionisation merge during its successor in order to retain organisational stability in the face of newly formed competitor unions. These propositions will be examined in more detail as the argument unfolds.

Dissolution is regarded as an end point on an organisational stability-instability continuum. The co-incidence and slight lagging of the waves in the dissolution rate behind those in merger intensity might, therefore, be explained in terms of the failure of some unions to arrest the decline into organisational instability through merger with the consequence that they dissolve. The relationships between merger activity and the breakaway rate were far from clear. Several tentative propositions were advanced employing factors such as union membership, increasing membership concentration and TUC policy as intervening factors between the two sets of structural events.

In addition to the presentation of the data on which this study is based a brief review of explanatory theories of trade union structural development was included in order that an explanatory framework suitable for this study could be generated. Integral to the adopted explanatory framework is the notion of long cycles of economic development, each cycle consisting of an upswing and a downswing in economic activity. The
primary implication arising from the adoption of an explanation of
merger activity, based upon long cycles is that analysis is to be
carried out on the understanding that each cycle constitutes a distinct
period of institutional development. Merger activity is, therefore, to
be examined on a cycle-by-cycle basis. The distinctive features of the
two long cycles under consideration were the implementation of
collective bargaining during the former and the operation of
institutionalised industrial relations during the latter.

The nature of trade union organisation and its goals were also
reviewed. Arising from this review, two principal purposes of trade
union behaviour were identified: the improvement of the terms and
conditions operative in the labour market and the maintenance of
organisational stability in order to be able to effectively pursue these
improvements. Merger is viewed as a specific policy option which may be
enacted in order to achieve either of these goals. Given the changing
nature of the institutional context within which trade unionism is
located, it follows that the particular strategies which most readily
facilitate the achievement of union goals must vary. Similarly, the
objectives of merger activity should not be viewed as a single entity
but as a changing phenomenon in the light of the variation in
organisational objectives and institutional environment.
1. Unless otherwise indicated data sources are available in Appendix A.

2. A consequence of using five-year moving averages is to distort the appearance of a graph in so far as merger activity from the four previous years influences the figure computed for the fifth. Reference to the absolute figures illustrates the point.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NUMBER OF UNIONS</th>
<th>MEMBERSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ABSORBED</td>
<td>ABSORBED</td>
</tr>
<tr>
<td>1917</td>
<td>29</td>
<td>11,164</td>
</tr>
<tr>
<td>1918</td>
<td>43</td>
<td>43,824</td>
</tr>
<tr>
<td>1919</td>
<td>78</td>
<td>25,710</td>
</tr>
<tr>
<td>1920</td>
<td>78</td>
<td>303,785</td>
</tr>
<tr>
<td>1921</td>
<td>83</td>
<td>335,152</td>
</tr>
<tr>
<td>1922</td>
<td>35</td>
<td>226,489</td>
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<td>1923</td>
<td>17</td>
<td>16,314</td>
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<tr>
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<td>13</td>
<td>117,019</td>
</tr>
<tr>
<td>1925</td>
<td>8</td>
<td>5,524</td>
</tr>
<tr>
<td>1926</td>
<td>13</td>
<td>24,606</td>
</tr>
<tr>
<td>1927</td>
<td>9</td>
<td>11,679</td>
</tr>
</tbody>
</table>

As graphical presentations employing five-year moving averages, Figures 2.1 and 2.2, portray merger activity as first falling below the 1917 figure in 1926. Absolute figures, as presented above, indicate 1924 to be a more likely turning point. Absolute figures have, therefore, been employed in the dating of the merger wave periods.

3. In order to circumvent the stringent provisions of the 1876 legislation covering the voting requirements necessary for merger, an unknown number of unions were dissolved and then reconstituted as single unions. The formation of the British Iron, Steel and Kindred Trades Association (BISAKTA) from three unions is the most often quoted example. As a result of this procedure the number of dissolutions may be
overstated during the period preceding the Trade Union (Amalgamation) Act 1917.

4. The number of dissolutions for the relevant years were: 1944, 13; 1945, 18; 1946, 24; 1947, 12; 1948, 21; 1949, 10; 1950, 9; 1951, 5.

5. Each Kondratieff cycle is regarded as being of approximately fifty years duration, divided into an economic upswing and downswing of similar duration. In general terms, the upswing is associated with ever-higher peaks in the business cycle while the converse is the case for the downswing. Garvy (1943) and Rostow (1975) review the evidence regarding Kondratieff cycles. There is considerable academic debate regarding the mechanisms whereby an upswing is transformed into a downswing and vice-versa. Furthermore, disputes exist as to the specific nature of these cycles and, indeed, what they should be called. Contributions to these debates are provided by Aglietta (1979), Gordon et al. (1980), Mandel (1980), Norton (1986) and Wright (1977 and 1978). Barr (1979) reviews the principal positions adopted by the protagonists. In the light of this active debate reference throughout this study is made to long cycles inferring no more than an economic upswing and a downswing of similar duration taking place within a fifty year cycle.

6. For studies in which empirical evidence is presented in support of long cycle dating see Gordon et al. (1980: 41-48) and Mandel (1980).

7. Mandel (1980) concedes that the initial date of the upswing can be assigned to either the pre- or post-war period. Because of the peculiarities of the merger data considered in later chapters, the upswing is regarded as commencing immediately post-war.

8. Reference to 'trade union behaviour' is acknowledged as constituting reification. Reification is the act (or result of the act) of 'treating
abstract collective entities, which are creations of human activity, as the active agencies in social relations and in consequence, devaluing the part played by human actors' (Hyman, 1975:13). It is, however, recognised during the course of this thesis that trade union behaviour is the outcome of action taken by members of trade unions. Indeed, as the argument unfolds, it will become apparent that the recognition of varying attitudes within trade unions towards mergers is crucial to their understanding. The use of the term 'trade union behaviour' is justified simply on the grounds that it makes for ease of explanation.
Chaison (1982a:198) categorised research on trade union mergers under four headings: historical, legal, organisational behaviour and chronicles. From within this body of research a myriad of factors have been isolated as determining mergers. Chitayat (1979) concluded his review of mergers between unions of different sizes by arguing that the primary obstacle to the generation of a theory of union mergers was the difficulty in generalising about their causes. Similarly, Coady comments that 'every merger is a response to the special needs of the unions involved, and can be expressed only tenuously by reference to generalised social conditions' (1976:10). The preliminary intention, therefore, is not to describe the impact of each isolated influence at this point, but rather to sustain a distinction between those factors which explain aggregate trends and those which relate to specific mergers.

To this end, the initial point of departure is to delineate the 'environmental' from the 'organisational' influences. This delineation is founded on the premise that those factors referred to as environmental influences have a continual but varied influence upon trade union structure and impinge upon this structure during certain periods in such a way as to promote the 'urge to merge'. In other words, they are factors which encourage unions to attempt to merge. To posit that these factors exert a 'continual but varied' influence does not imply any gradual cumulative effect over the span of the study, but
suggests that during specific periods they act in combination to promote conditions in which merger appears as a favourable strategy for trade unionists to pursue.

Factors relating to specific mergers - organisational influences - are not considered to provide a satisfactory explanation of the aggregate pattern of the merger process as they may, for example, apply only to a limited period of the study, such as a particular inter-union rivalry; or to a particular 'type' of unionism such as the maintenance of 'craft identity'. Indeed, the organisational influences may be regarded as acting as barriers to merger. A case in point would be the factors unearthed by Graham (1970) which precluded the completion of several merger initiatives launched in the United States between 1935 and 1970 by the Pulp, Sulphite and Paper Mill Workers and the United Papermakers and Paperworkers. Such factors included, at different points in time, jurisdictional rivalry, different contributions structures, 'profoundly different conceptions of trade union government' and methods of selecting officials, and differences in disciplinary procedure. Of course, in certain situations such barriers can be overcome; in others they cannot. It is reasonable to assume, therefore, that the impact of the organisational influences is likely to be most pronounced in determining the direction and form that mergers take.

Clearly, there are relationships and inter-actions between the two sets of influences. To attempt to move towards an understanding of these is one of the priorities of this study. While it is impossible at this point to specify these, a comment referring to the methods whereby these relationships can be elaborated is appropriate. Freeman and Brittain (1977) employed regression analysis with the absolute number of mergers
in a given year as the dependent variable and lagged explanatory variables of gross national product, unemployment and the number of strikes. In commenting on this approach Chaison states that

an important methodological problem in the Freeman-Brittain analysis is the failure to consider the possibility of internal union opposition to merger movements, and consequently the presence of a large number of unsuccessful merger attempts. Their study focuses on the frequency of successful mergers, and their discussion does not differentiate between the factors which cause unions to attempt to merge and those factors which bring about actual mergers (1978:122).

To which Freeman and Brittain reply that 'we can only note that it is impossible to study non-events scientifically' (1978:128).

In differentiating between the environmental and organisational influences it is argued that this 'problem' is overcome. For, given the terms of this differentiation, if the organisational influences are regarded as barriers to merger, it can be presumed that when a merger is completed the 'strength' of the environmental influences is relatively greater than that of the organisational influences. If the relative effect of the environmental influences is examined by means of regression analysis, the relationships between environmental and organisational influences can be assessed in the light of the investigation of the environmental influences.

The dominant statistical technique employed with reference to the environmental influences is regression analysis. It is acknowledged, however, that the same environmental influence may have a different effect across both time and organisation. The reason for using regression analysis, therefore, is not only to test explanations advanced in the literature but also to investigate what changes have taken place over time within the merger process. Moving towards an
explanation of these changes allows for elaboration of the relationships both within and between the two sets of influences.

THE INFLUENCES ON MERGER ACTIVITY

The Environmental Influences

For ease of explanation the environmental influences are considered in terms of three broad categories: economic, unionisation and political. Each of these categories is discussed in turn. In so doing it is accepted that false distinctions are made as there are inter-relationships within and between influences from the different categories. Some influences categorised as 'unionisation', for example, may be intervening between economic influences and the merger process. The initial purpose is to identify the influences. Some of the theoretical inter-relationships between the categories of influence are discussed below. The elaboration of these inter-relationships constitutes an analytical focus of subsequent chapters.

Economic influences. Closely associated to the impact of the business cycle on membership changes are those of inflation and wage rates upon union finances and the living standards of trade union members. Union contributions in Britain are relatively low, yet the breadth of membership services offered by unions has widened. With many unions competing for membership unions are reluctant to raise membership contributions above the level of those of their competitors. These factors, in combination with a high rate of inflation, have resulted in
financial difficulties for some unions which have subsequently sought merger.

A lowering of living standards, when wage rates are rising at a slower rate than retail prices, may also stimulate a union to merge through its impact upon bargaining. For example, Buchanan (1974:43) reports that at times of high inflation the maintenance of differentials becomes important. Unions merge in order to strengthen their bargaining position and thereby are more able to defend these differentials. The merger of the Draughtsmen and Allied Technicians Association (DATA) with the Amalgamated Union of Engineering Workers (AUEW) is a case in point. Buchanan argues that because of the position of DATA members within the production process strikes tended to be lengthy and, therefore, costly in terms of relatively high strike pay. By merging with the AUEW, the Technical, Administrative and Supervisory Section (TASS), as DATA became, strengthened its bargaining position through gaining access to larger financial resources and limited its costs in terms of strike pay, yet acted to protect differentials. The example of the TGWU is also cited:

certainly the powerful position of the TGWU and its leadership of the semi-skilled and unskilled workers has allowed it to negotiate a narrowing of the pay differential for skill in recent years, and the need for skilled unions to be organised into equally large organisations has been behind some recent merger discussions (Buchanan, 1981:47).

Additionally, Phelps-Brown (1968) has suggested that simultaneous bargaining is encouraged when retail prices are rising rapidly because employers argue that whatever increase is awarded to one group should be awarded to others. This, in turn, is regarded as encouraging unions to merge as a result of the close co-operation that is required during such
co-ordinated bargaining. Mergers taking place within the confines of a union federation would be particularly prone to this influence.

Technological change is also regarded as an economic influence upon merger activity. In the introduction to this section it was acknowledged that the effect of some influences is mediated by their impact upon others. Technological change is one of these. Its effect on merger activity is regarded as being primarily mediated by unionisation factors. Technological change is, however, reviewed under the 'economic' category as its influence is prior to the unionisation effects it stimulates.

The first stable forms of union organisation, the craft societies, were historically characterised by the attempts of their members to control labour supply by restricting membership to 'time-served' craftsmen and limiting the ratio of apprentices to craftsmen. Technological change contributed to the undermining of union organisation founded on these methods either through the creation of jobs requiring 'new' competing skills or through the de-skilling of existing jobs, thereby opening them up to semi-skilled and eventually, unskilled workers. In response to the employers' use of technology to undermine the craft societies' bargaining power, they adopted a range of strategies, among which were the signing of dilution agreements, the reinforcement of demarcation lines and merger. The breakdown of demarcation lines also often led to competitive recruitment which was sometimes resolved through merger. This trend towards the merging of craft societies was instrumental in the formation of national craft unions and federations of craft unions.
The emergence of industrial and multi-craft unions can also be partially attributed to the impact of technological change. The craft societies, unable to resist the introduction of technology on the terms they desired, 'opened' recruitment vertically in order to bring semi-skilled and unskilled workers into membership in an attempt to retain some elements of traditional craft control. This opening of recruitment was matched by an opening of 'merger search parameters'. Similarly, multi-craft unions were formed through amalgamation as demarcation lines were rendered obsolete by new machinery and the new grades of labour recruited to operate it.

Furthermore, the impact of technological change may lead to an increased heterogeneity of membership. Lerner (1961), writing on the breakaway of the Engineering Officers' (Telecommunications) Union EO(T)A from the Post Office Engineering Union (POBU), for example, lays emphasis on the rapid technological change in telecommunications during World War II which led the POBU leadership to fail to recognise the diversity of skills brought about by such changes. As this diversification is repeated among the memberships of other unions, the possibilities of new merger partners, on the basis of membership in similar work, may arise. The recent merger discussions between the Society of Telecom Executives (STE) and the Society of Civil and Public Servants, Telecome Group (SCPS,TG), however, illustrate the opposite tendency. Technological change led to a convergence in the functions carried out by SCPS,TG members with those undertaken by STE members. This convergence was one of the influences that prompted the merger negotiations. The introduction of silicon-chip technology has been an important factor in stimulating unions to search for merger partners.
Buchanan reports that "in printing, technological change has been important in producing at least one merger virtually each year throughout the 1960s and 1970s" (1981:44). Recent mergers among unions organising in textiles, finance and engineering have also been influenced by technical change (Industrial Relations Review and Report, 1983).

Additionally, Buchanan (1974) and Hughes (1970) have argued that corporate mergers often promote union mergers because of their 'disturbance effect' upon established bargaining relationships arising from variations in management attitudes towards unions, their influence upon inter-union relationships and the destabilisation of established payment systems. While Buchanan's argument is founded on the observation that there was 'something of a similarity in trend' between company and union mergers, Geroski and Knight (1984) extend this initial formulation through a consideration of the different 'directions' of company merger. They argue that horizontal, conglomerate and vertical company mergers induce union mergers with similar variation in direction.

Bain and Elsheikh (1980) discerned a positive relationship between increasing company size and union membership growth. Therefore it is to be presumed that company mergers, which clearly influence company size, will also have an effect on merger activity through unionisation. Furthermore, if it is accepted, as Buchanan contends, that the impact of company mergers is through their 'disturbance effect' upon established bargaining arrangements and the comparability of employment terms and conditions, it would seem reasonable to suggest that nationalisation and civil service re-organisation might have a similar effect.
Unionisation influences. A second range of environmental influences arise from the unionisation process. These influences are not independent of other factors. For example, Bain and Elsheikh (1976) confirmed that union membership is intimately associated with movements in the business cycle and Chaison (1981) has demonstrated that membership growth and union merger are related. Union membership is, therefore, regarded as a mediating variable through which the business cycle influences merger activity. Both Dewey (1971) and Janus (1978) suggested that, within specific American industries, membership decline or a static membership has been the principal motivating factor for several mergers. Since trade unions rely upon membership contributions as their primary source of income, a declining membership imposes financial restriction. Funding might be improved through an increase in membership contributions, although this policy might jeopardise recruitment vis-a-vis competitors thereby exacerbating the initial problem. Similarly, limited funds might curtail organising initiatives launched by a union and the capacity to pay strike and other benefits. Additionally, a widening of the range of membership services offered by trade unions has led to 'an apparent rise in the threshold of union solvency' (Hyman, 1983:38).

Indivisible from membership growth are the tendencies towards increase in the density of union organisation and the concentration of union membership. These are regarded as influencing merger activity through their effects upon recruitment patterns. Dewey (1971), Janus (1978), Buchanan (1974 and 1981) and Adams (1984) all refer to the influence of competitive recruitment upon merger activity. There are, however, two principal approaches advanced as to how such circumstances
of competitive recruitment arise. Firstly, in times of membership decline trade unionists place a high priority on the need to retain existing membership and aggressively pursue new members. This pursuit of new members may bring unions into competition as they expand their bases of recruitment or heighten existing competitive rivalries.

Secondly, technological change may erode agreed lines of demarcation thereby bringing into competition unions which were previously separate in terms of membership recruitment boundaries. By whatever means conditions of competitive recruitment arise, researchers concur that such conditions promote a duplication of resources, the likelihood of expensive inter-union disputes, personality and institutional rivalries, and what may be a costly need to maintain an aggressive wages policy to compete for membership, all of which are regarded as promoting mergers.

As trade union membership tends towards increased concentration, so differences in relative union size increase in magnitude. Undy et al. (1981:167-219) see such differences as motivating factors to merger activity, assigning primacy in merger causation to 'relative size considerations'. There can be little doubt that relative and absolute size differences stimulate mergers. For example, within a federation a relative size advantage may confer additional voting rights. Similarly, absolute size may enable the provision of additional membership services, Labour Party and TUC patronage, and organisational stability.

A further consequence of membership concentration is the increased heterogeneity of union membership. Several large unions have come to organise within an increasing number of industrial sectors. Given the organisational stability achieved by such organisations and the wide
range of services offered by them, they have come to appear as 'attractive' merger partners. It has been argued that the presence of these large conglomerate unions has itself stimulated merger activity. For example, some of the smaller unions in banking and finance opted for merger with the Association of Scientific, Technical and Managerial Staffs (ASTMS) or the Banking, Insurance and Finance Union (BIFU) on the grounds that services to their members would be improved. Similarly, the TGWU proved an acceptable merger partner to the craft oriented National Association of Operative Plasterers (NAOP) because of the negotiating expertise in building which existed within the TGWU, the financial stability conferred as part of the TGWU and the available range of membership services.

Political influences. The third group of environmental influences on the merger process are associated with the institutionalisation of trade unionism, with a particular focus on the development of collective bargaining. Divergent approaches are apparent regarding the independence of the growth of collective bargaining from other influences. In the approach associated with Clegg and the 'Oxford School', collective bargaining is viewed as having an independent effect on union structural development. The effect of changes in the structure of management and employers' organisations mediated through variations in the level of collective bargaining are assigned primary importance (Clegg, 1976). A contrasting standpoint is maintained by Ramsay (1980), who argues that bargaining, far from being an independent evolutionary process, is impelled by a cyclical need for management re-assertion of the 'right to
manage' and is an intervening factor between control of the production process and union structural change. The ramifications of this divergence of view will be examined in subsequent chapters; the current purpose, however, is to consider the suggested impact of the growth of collective bargaining upon merger activity.

Two aspects of collective bargaining are regarded as being of prime importance: the growth of the institutions of collective bargaining and the relative 'strength' of the parties to bargaining. The impact of the growth of the institutions of collective bargaining on merger activity is regarded as an evolutionary process. Initially, the formation of the institutions of collective bargaining promoted the merging of local and regional unions into organisations with national recruitment bases to match similar developments in employers' associations. As these institutions further developed, so the complexity of bargaining increased, compounded by ever more legislative involvement in industrial relations. These developments required unions to improve membership services, internal government and administration, and negotiating practice. These factors promoted mergers as smaller unions were unable to finance the necessary services and, therefore, sought merger with unions able to provide the services in order to protect their memberships.

The second tendency associated with the promotion of mergers within a framework centred upon collective bargaining is concerned with the 'strength' of the parties to bargaining. Buchanan, for example, is unequivocal in stating that 'a relatively weak bargaining position in an industry seems to have encouraged amalgamation in a number of cases' (1974:40). Of course, a weak bargaining position can be 'relative' in
more than one sense. Unions may, for instance, merge to protect their bargaining position relative to that of other unions as was evidenced earlier in an attempt to protect differentials. By contrast, unions may also merge to strengthen their position relative to that of employers. Employer strength is derived from two inter-related sources: one is broadly associated with profitability and the second with the structure of companies themselves. In this context Freeman and Brittain (1977), Hughes (1972) and Buchanan (1981) have stressed the pursuit of membership size or 'scale' as being a principal merger stimulus.

An additional impact upon merger activity linked to institutionalisation is Labour Party and TUC representation. It is argued (Industrial Relations Review and Report, 1983:2) that unions pursue membership size, merger being one of the quickest ways to do so, in order to influence decision-making within these organisations. While this reasoning may explain the absorption of smaller unions by larger unions from the perspective of the absorbing union benefits also accrue to the absorbed union. For example, the National Union of Agricultural and Allied Workers (NUUAW) absorbed by the TGWU during 1982 dominates the agricultural trade group of the TGWU thereby ensuring that TGWU agricultural policy is effectively determined by the former NUAAV. But this policy will be supported by the entire TGWU membership vote cast at TUC and Labour Party conferences.

Also associated with the institutionalisation of trade unionism is the growth of legislative involvement in industrial relations. Since 1876 the achievement of merger has been legislatively prescribed. The history of legislative change covering trade union mergers shows increasing ease in the procedures whereby mergers can be achieved. Four
pieces of legislation cover the period for which the data on merger activity is available. Initially, the procedure was laid down under Section 12 of the Trade Union (Amendment) Act 1876. It required that

any two or more trade unions, by the consent of not less than two-thirds of the members of each and every such trade union, become amalgamated together as one trade union, with or without any dissolution or division of the funds of such trade unions, or either or any of them; but no amalgamation shall prejudice any right of a creditor of either or any such union party thereto.

The terms of the Trade Union (Amalgamation) Act 1917 required a minimum 50 per cent poll for each union. The merger was carried if the number of votes cast in favour of the proposal exceeded by a minimum of 20 per cent those against. The passing of the 1917 Act coincided with the first merger wave.

The provisions of the 1917 Act were further eased under the terms of Section 6 of the Societies (Miscellaneous Provision) Act 1940. Despite requiring two-thirds of a union's membership to vote in favour in order for a merger proposal to be carried through, three factors facilitated merging. Firstly, only the members of the 'transferor' union had to vote; secondly, a two-thirds majority at a delegate conference was adequate to meet the provisions of the Act; and thirdly, the Chief Registrar of Friendly Societies was empowered to authorise a merger even if the voting requirements were not satisfied, provided the union had published its intention to merge and the objections of all parties had been considered. Elias (1973:129) cites the example of the Scottish Painters' Society in illustration of this third factor, where the Registrar permitted the transfer to go ahead even though only 45.6 per cent of the membership voted in favour, constituting 73.3 per cent of those voting.
The current legislation is the Trade Union (Amalgamation) Act 1964, which allows merger to be achieved by two procedures: amalgamation and transfer of engagements. Amalgamation is secured by a simple majority voting in favour from each amalgamating union. A transfer of engagements requires a majority only from the 'transferor' union, no vote being required from the membership of the acquiring union.

Organisational Influences

Coupled to, and in many instances arising from, the environmental influences are those that are 'internal' to trade union organisation. For the purposes of this study these factors are referred to as organisational influences. The organisational influences are not relevant to every merger, nor does their nature and impact remain the same both over time within a specific union and at a specific time across a number of unions. At this stage of the study it is assumed that the effect of the organisational influences upon mergers is most pronounced in influencing the direction and form of mergers mediated by their constraining effects on specific combinations of unions. Hence this review of the organisational influences includes no more than a brief summary of the impact of these factors. Clearly, inter-relationships exist, but these are not elaborated in detail. This generalised account necessarily loses some of the subtlety of these inter-actions, but the point is merely to bring to the reader's attention the range of organisational influences.

Conflicting strategy and policy of union groups are frequently referred to as representing barriers to merger which need to be overcome if combination is to be achieved. Leadership priorities are a case in
point. Union leaderships are usually strongly represented during merger negotiations where issues regarding the terms of their employment are resolved. Particular emphasis has been laid on the need to reach agreement on such factors as jobs within the merged union, their status and salaries, and attached pension rights. Hyman (1983:39) mentions the influence of the compatibility of 'political sympathies', while Buchanan (1974:40) suggests that 'personalities' of trade union leaders or even their 'mental attitude' influences merger. Fears expressed by union leaders that merger discussions will provide opportunities for their political opponents in future elections is suggested by Chaisson (1978:120) as playing a role in merger negotiations.

The policies adopted by union officials towards membership growth, absolutely and in terms of union recruitment base, is regarded by Undy et al. (1981:167-219) as influencing attitudes towards merger. Hughes (1972:152) would seem to concur in stating that 'trade unions, like many companies, are caught up in competitive pressures and are conscious of the need to formulate a viable growth policy.' Should a positive policy towards growth be adopted, then clearly mergers are an attractive strategy. For, as opposed to 'natural growth', they allow for a bypassing of the Bridlington Principles and for the 'buying in' of negotiating expertise in the form of officials from the absorbed union.

Even when a positive policy towards growth is adopted organisational influences may act to constrain the 'merger search parameters'. Historical growth priorities are a case in point. These may limit a craft union, for example, to consider only another craft union as an acceptable merger partner in order to retain its 'craft identity'. Other historical growth priorities may lead to unions searching for
merger partners only within the industry in which they already organise. The syndicalist tradition of some unions, particularly strong during the first two decades of the twentieth century, influenced such an orientation. Specifically, the rank and file movements, of which the Metal, Engineering and Shipbuilding Amalgamation Committee is a notable example, came into sharp conflict with the 'official' amalgamation policy in some unions on this issue. 'Traditional hostility' between unions, founded on the relative position of their members within the workplace, is also regarded as having an adverse influence on merger opportunities. The POBU voted twice in less than two years against merging with the STE which represents supervisory staff in British Telecom. This influence is far from universal as is evidenced by the Union of Communication Workers' (UCW) conference decision to continue merger talks with the Communication Managers' Association (CMA), the equivalent union in the Post Office.

Differences in policy towards bargaining issues are also indicated as featuring strongly in merger negotiations. The policy of the National Union of Journalists (NUJ) in seeking time-off-in-lieu in compensation for overtime was cited by the National Graphical Association (NGA), which insists that all overtime be paid at a premium rate, as constituting a stumbling block during their unsuccessful merger negotiations.

Affiliation to outside bodies - most notably the TUC and the Labour Party - is also perceived as influencing particular mergers. The non-affiliation of BIFU to the Labour Party is regarded as being a factor in encouraging the numerous staff associations in banking and insurance to seek a merger, while the same union's affiliation to the TUC is seen as
conferring representative advantages. Because both the United Kingdom Association of Professional Engineers (UKAPE) and the Chemical Workers' Union (CWU) were not affiliated to the TUC, they failed to secure the bargaining position they desired. Their mergers with the Electrical, Electronic, Telecommunications and Plumbers Union (EETPU) and the TGWU respectively were partially explained in terms of the recognition that these mergers granted their memberships.

Constitutional differences may also influence merger activity. The best documented distinction is that between a regional and a trade group structure. Hughes, for example, states that any union absorbed into the latter structure can retain a 'significant and continuing degree of group identity, elements of autonomy, and specific representation and servicing' (1972:153). Indeed, it has been argued that the trade group structure is the primary reason for the TGWU's success in attracting merger partners in contrast to that of the General, Municipal, Boilermakers and Allied Trades Union (GMBATU), Undy et al. (1981) suggesting that the 'concentrated form of national government' typically associated with a trade group structure makes for ease of merger negotiations.

The first merger between the National Union of Printing, Bookbinding and Paper Workers (NUPBPW)/ National Association of Operative Printers, Graphical and Media Personnel (NATSOPA) is mentioned by Buchanan (1974: 40) to illustrate the problems of comparability that arise when unions with different degrees of centralisation in their decision-making structures try to merge. NUPBPW branches, with their high degree of autonomy in terms of both decision-making and financial
control, were reluctant to concede this autonomy which was necessary in
order to combine with the centrally constituted NATSOPA.

The method of selecting officials has also influenced particular
mergers. The AUEV's insistence on the election of all full-time
officials has prevented TASS from endorsing a move into a full merger as
its officials are appointed. NUBE is reputed to have overhauled its
constitution during the early 1970s in order to make it a more
attractive merger partner for other unions organising in the finance
sector. This was emphasised in the change of name from NUBE to BIFU.

G.D.H. Cole reported that the relative financial position of unions
influenced mergers:

The [financially] weaker union may find itself confronted
with the possibility of reduced benefits, or of higher
contributions for its members in the new amalgamation. The
stronger union may regard it as unfair to admit the members
of the other union on terms more favourable than their own
members have secured by their accumulated contributions (1918:48).

He went on to comment that variations in benefit for sickness,
unemployment, funerals, etc. have led to difficulties in some merger
discussions. Indeed, Bevin commented in 1925 that 'I have often said
that when you are trying to bring about amalgamation there is more
trouble about Funeral Benefit than anything else' (quoted in
Allen,1957:45). Similarly, the servicing departments - research,
education, legal, etc. - run by the larger unions make them attractive
to smaller unions, in particular, as many do not organise a large enough
membership to enable them to finance such departments.

Two principal 'types' of influence upon the merger process have
been identified; the environmental influences and the organisational
influences. There are inter-relationships between these two sets of influences. Indeed, particular organisational influences may mediate the effect of the environmental influences upon merger activity in specific circumstances. Three categories of environmental influence have been identified: economic, unionisation and political. The object of the next section of this chapter is to operationalise the environmental influences in order that their relative effect may be analysed.

OPERATIONALISATION OF THE EXPLANATORY FRAMEWORK

Methodological Issues

The initial focus of this study is directed towards the development of an explanatory framework of aggregate merger activity. As the organisational influences are regarded as being specific to particular mergers, it is to the environmental influences that reference is made in developing this framework. This is not to suggest that organisational influences are not pertinent to an analysis of merger activity, but to assume that they do not determine overall trends of merger activity. This section is, therefore, devoted to an elaboration of the hypothesised effects and operationalisation of the environmental influences.

Several cautionary points should be noted, however, with respect to the methods employed in developing the explanatory framework. The central interest is in explaining the pattern of merger activity. The principal statistical technique is regression analysis, employing merger intensity as the dependent variable and the environmental influences as independent variables. The objective in utilising this technique is not to test particular models nor to account for the largest amount of
variation in the merger variable, but to establish a framework upon which the explanation of the pattern of merger activity can be built. It is for this reason that the longest time period for which consistent data are available has been used.

Merger intensity - in effect a measure of frequency - is used as the dependent variable throughout, thereby enabling comparisons to be drawn between the impact of the different sets of influences. Additionally, measures of frequency have been shown to be more intimately associated with structural influences than are other measures. For example, Knowles (1952:151) has demonstrated that measures of frequency are most independent of previous values, thereby making them sensitive to economic influences.

The application of regression techniques necessarily imposes a number of limitations on the study. Primary among these is that each absorption is regarded as a similar event, thereby excluding from consideration variation in the size of unions involved, the 'direction' constituted by the absorption, and industrial variation in merger activity. Such variation is disregarded at this point as only through the elaboration of an aggregate explanation can the merger process in toto be understood. As so little research has been conducted on the merger process, internal variation is best located within an overall understanding rather than generalising from the specific.

In employing regression analysis on aggregate merger activity, theories applied to the independent variables - the environmental influences - must be stated at the aggregate level. Edwards makes the point with reference to the generation of explanatory models of strike activity when he states that economists
can test micro models on macro data as long as these data are closely related to their theoretical counterparts. But when such things as the unemployment rate are used they must restrict themselves to theories which are stated at an aggregate level; if the rate is used as a general index of the tightness of the labour market, and if strike activity is viewed in the aggregate, econometric methods are successful (1978:323).

This point is of central significance. For it is recognised that the chain of causation between, for example, unemployment and merger activity is long, and to a degree, indeterminate. Therefore, several micro models can be devised for every variable, each of which need not necessarily be consistent with others in terms of the hypothesised direction of the relationship.

Economists argue that in restricting their analyses to relatively short time periods the impact of institutional and political factors may be operationally overlooked. This study is based on data available since 1893. It is, therefore, necessary to include unionisation and political factors in order to capture the impact of institutionalisation upon the merger process. Certain unionisation and political factors may be regarded as intervening in the chain of causation between, for example, economic variables and merger activity. Therefore, in developing the explanatory framework the variables are introduced in the following order: economic, unionisation and then political, with the object of determining whether variables from the last two categories add explanatory power to the framework developed through the sole application of economic variables.

The point made above with respect to the theoretical underpinning of the economic variables is also applicable to the unionisation and political variables. It does not stretch the imagination to argue that the rate of change in real wages should influence merger activity. A
more elaborate imaginative process is required, for example, to generate an argument linking merger activity with the political persuasion of the government in office. Moreover, even if such a link is established, it does not necessarily follow that a strategy of merger is directed towards the polity. The introduction of unionisation and political variables raises problems of interpretation. Thus the framework provided by the regression results is supplemented with analyses of merger direction and merger waves in Chapters 5 and 6.

In addition to questions of interpretation, the introduction of unionisation and political variables is methodologically problematic. If a unionisation variable is related to an economic variable, for example, time series measures of the two variables will be correlated leading to problems of multicollinearity within the regression equation. Where extreme multicollinearity exists, the theoretical assumptions underlying regression analysis are violated, thereby bringing into question the validity of the results obtained. Therefore, in operationalising the environmental influences, emphasis is placed on the hypothesised impact of the variables rather than that applicable to each regressor used. For instance, the variable 'wages' may be employed as a regressor in the following forms: rate of change of money wages, level of real wages, and the rate of change of real wages. In operationalising the variables, hypotheses are generated for each regressor employed. The regressor applied in any particular equation is determined by the technical issue of avoiding multicollinearity. In doing so, the impact of the regressors on merger activity may vary. As the theory applied to the variables is developed at the aggregate level, however, this variation is regarded as
being accommodated within the different hypotheses applied to each regressor.

A further point is raised by Chaison who argues that it is necessary to introduce lag structures or to group mergers into 'broad time periods' in conducting regression analysis because 'the actual negotiations for any merger ... usually begin one to five years prior to the final merger, and in some cases negotiations are conducted on and off for over a decade' (1980:119). His argument is that the influence of the environmental factors is incurred prior to the ratification of the merger agreement, the point in time for which the merger is recorded as occurring in the merger series. There is no doubt some substance to this argument. For the purposes of this study, however, lag structures are not central for two reasons. Firstly, the explanatory framework is developed in the aggregate. As Chaison would no doubt concede, the interval between the commencement of merger negotiations and the ratification of the merger agreement is subject to widespread variation. Given the changing legislative requirements applicable to British union mergers and the increasing size of unions, any particular lag structure would be arbitrary and could not be justified a priori. Secondly, in establishing the aggregate explanatory framework it is the effect of the environmental influences that is considered paramount. The organisational influences are regarded as constituting barriers to merger and the principal subject of merger negotiations. The merger agreement is, therefore, regarded as representing the point at which the influence of the environmental influences has overcome the barriers of the organisational influences. Therefore a lag structure is not required.
Econometric analyses of social processes, predominantly strike activity and trade union growth, have relied principally on the application of economic variables as explanatory factors. In applying their analyses to periods of short duration, advocates of 'economic' explanations argue that the impact of institutionalisation upon trade unionism may be excluded analytically from the regression equation on the grounds that the impact of institutionalisation is marginal over the short term. This view has recently been brought into question by theorists advocating that a broader focus is required if comprehensive explanatory models are to be established: see, for example, Shorter and Tilly (1974), Snyder and Tilly (1972), Snyder (1975) and Hibbs (1978). The central thrust of the argument deployed by these theorists is that institutional factors can be ignored only when institutionalisation is achieved. Prior to the implementation of the institutionalised system they argue that unionisation and political variables are more influential upon trade union behaviour. Unionisation factors are regarded as being influential, because during institutionalisation membership and organisational stability are subject to relatively wide fluctuations. Similarly, political factors are considered relevant because it is only during institutionalisation that trade unionism gains widespread political acceptance. Furthermore, unionisation and political variables are regarded as intervening between structural factors and trade union behaviour. Their inclusion is, therefore, advocated because a purely economic approach constitutes no more than 'a special case of a more general theory' (Edwards, 1978:324). The following sections, therefore, are comprised of aggregate, operationalised descriptions of the hypothesised effects of economic, unionisation and political
variables. Technical details regarding the assembly of the data series employed in the regression analysis are provided in Appendix A.

**Economic Variables**

**Unemployment Rate, Trough and Peak.** These three regressors are measures of the tightness of labour markets, reflecting the amount of excess demand or excess supply. This, in turn, determines the ease whereby employers can attract and retain labour, thereby, influencing the relative bargaining power of employers and unions. Disregarding inter-firm competition, high or rising unemployment leads to a reduction in the level of aggregate demand thereby reducing the costs to employers of any lost production arising from strike activity. Indeed, in theory, employers are in a position to recruit an alternative labour force from among the unemployed when confronted by industrial action during times of high unemployment. By contrast, declining or low rates of unemployment promote a relative strengthening of the trade union bargaining position. If, as has been argued in Chapter 2, merger represents a policy option directed towards improving union bargaining strength, it is to be anticipated that merger activity will be more pronounced during periods of high or rising unemployment.

In so far as unemployment is a proxy for fluctuations in the business cycle, it is likely to be associated with variation in overall union membership. Ashenfelter and Pencavel (1969) and Bain and Elsheikh (1976) have demonstrated that aggregate trade union membership is associated with fluctuations in the business cycle, the latter authors
showing that membership declines during recessions. Membership decline induces a tendency towards organisational instability. Merger activity would, therefore, be expected to rise during periods of economic recession as unions trade off 'independence for uncertainty reduction' (Freeman and Brittain, 1977: 176).

A countervailing theoretical proposition has been developed by Buchanan with specific reference to merger activity. Invoking Cartter (1959), Buchanan (1974: 43) argues that under certain conditions of economic growth 'wages will be the union's main concern and employment prospects of lesser importance; during recession the opposite will be the case'. Buchanan pursues this argument by stating that during a recession 'a union is unlikely to consider handing over its employment prospects through merger to another union which has less concern for employment opportunities than it has itself' (1974: 43). This is certainly a plausible argument. Of similar credence, however, is the argument that with a recession inducing organisational instability a union would hand over its employment prospects to another rather than dissolve, thereby removing recruitment opportunities from within trade unionism as a whole.

Wages. The variable 'wages' is employed as a regressor in three forms: the rate of change of real wages, the level of real wages, and the rate of change of money wages. In the aggregate, the rate of change of real wages is regarded as an approximate index of worker prosperity. In addition, union funds are also likely to be high during periods of prosperity thereby conferring organisational stability. 'Workers' utility is related inter alia to the rate of change in real wages' (Bean
and Peel, 1976:206). In developing this approach, Ashenfelter and Johnson (1969:41) assert that the rate of change in real wages is a measure of the discrepancy between the aspirations of workers and their achievements, or simply of their aspirations. From this assertion they argue that past increases in real wages will reduce workers' current demands and, therefore, curtail strike activity. While this argument is plausible, it is no more so than that in which past increases in real wages are regarded as promoting the expectation that the current and future increases should be at least as good. Furthermore, the Ashenfelter and Johnson position neglects any consideration of the impact of changes in the structure of wages which might not act consistently across different groups of workers. The rate of change in real wages is, therefore, employed as an index of worker satisfaction on the understanding of these limitations.

It has been argued that merger is a policy option directed towards the improvement of union bargaining strength. Therefore, a priori the direction of the influence of the rate of change in real wages cannot be deduced given the indeterminancy of the 'expectations operator' argument developed by Ashenfelter and Johnson (1969). Buchanan, however, asserts that the relationship should be positive. This assertion is supported by the following reasoning:

Under such conditions of rapidly rising wages, the maintenance of differentials becomes very important and union mergers may be sought partly for this reason. But it also encourages simultaneous bargaining by many grades of labour in the same bargaining area, since employers see that what is given to one group must be given to others. There is a tendency, therefore, to widen the bargaining area under these conditions and encourage union mergers for this reason (1974:43-44).
While the maintenance of differentials is of undoubted importance, it is unclear why the issue of differentials should be any less important when low wage increases are recorded. Furthermore, differentials are occupationally specific, or more accurately inter-occupational. Over the period of this study trade unionism has illustrated a tendency towards 'openness'. If Buchanan's argument is accepted, therefore, it must be accompanied with the recognition that the strength of the effect of changes in wages, whether money or real, is likely to have altered over time as the issue of differentials has become an internal union matter as well as one of inter-union relations.

**Prices.** The rate of change in prices is included to capture the impact of inflation or deflation on the merger process. Buchanan (1981:48) contends that high inflation tends 'to create financial difficulties for small unions, to make the size and efficiency of large unions more important and may also emphasise the need to protect living standards by a powerful union negotiating with employers and government'. These three points all suggest that the relationship between inflation and mergers is positive. Again, however, it should be noted that trade unions have exhibited a tendency towards increased average size, therefore, suggesting that the impact of inflation is likely to vary, at least in magnitude if not direction.

Inflation may also influence employer activity. A firm's economic position is enhanced, ceteris paribus, when output prices rise. A negative relationship between mergers and inflation is, therefore, expected in so far as the rate of change of prices is a proxy for industrial prosperity. As employers' prosperity increases so they are
more likely to concede union claims in order to maintain profitable production. Unions, therefore, need not merge in order to increase the relative strength of their bargaining positions.

A second countervailing argument to the contention that inflation and mergers should be positively related is derived from the literature on the influences acting upon aggregate union growth. Hines (1964) and Bain and Elsheikh (1976) for Britain and Ashenfelter and Pencavel (1969) for America have shown that high inflation promotes the growth of aggregate union membership. Membership growth confers organisational stability. Merger intensity might, therefore, be expected to decline during periods of high inflation. Moreover, these findings also bring into question the second of Buchanan's points presented in support of the positive relationship between inflation and mergers, namely: that high inflation makes the size and efficiency of large unions more important. Since high inflation promotes aggregate union growth, Buchanan needs to support his contention by demonstrating that the rates of growth vary between unions of different sizes when inflation is high. This he does not do. Therefore, a priori reasoning leads to the anticipation that inflation and mergers will be negatively related.

Company mergers. The incidence of company mergers is regarded as causal to union amalgamations by Hughes (1972), Geroski and Knight (1984) and Buchanan (1974 and 1981). Two lines of argument are developed in elaborating determinancy. Firstly, Geroski and Knight suggest that company mergers induce union merger activity through their effect on bargaining strength. They state that
the growth of firms by merger and the ensuing changes in product market structure alters relative bargaining power in favour of employers. The opportunities for reducing the product wage below the level it would otherwise be exist particularly in respect of labour productivity and product prices rather than money wage levels (1984:55).

Union mergers are, therefore, seen as a response directed towards the increase of union bargaining strength to counter that achieved by the merged firm. To a degree, therefore, company mergers may be regarded as a proxy for industrial concentration.

Secondly, Buchanan (1974 and 1981) argues that company mergers promote union mergers through their 'disturbance effect' upon established bargaining procedures. For example, company mergers may involve companies with different views towards union recognition, the introduction of new payments systems, and issues relating to plant closure, job security and the inter-plant transfer of work. Additionally, Hughes (1970:159) argues that 'the normal post-merger pattern appears to have been some wider definition of organisational and recruitment interests within the new combines by specific unions'. Such 'wider definitions' are regarded as leading to inter-union competition, which in turn promotes union mergers particularly if disparities of size between the unions are marked. That is, where a larger union is able to provide superior membership services as a result of greater financial reserves and is able to pursue a more aggressive wages policy.

While a positive relationship between company mergers and union mergers is anticipated a note of caution about the causality of company mergers should be entered. Company mergers are themselves the outcome of pressures arising from the dynamics of inter-company competition. As such company mergers are clearly not 'independent' of other economic
factors; indeed, they may be regarded as intervening between these factors and union mergers. Care is, therefore, necessary with respect to the problems of multicollinearity when employing company mergers as a regressor.

**Productivity.** The productivity variable reflects the rate at which economic efficiency is increasing (Edwards, 1981:149). As such, it is a very approximate proxy for the relationship between technological change and workers' attitudes. Other things being equal increases in productivity improve profitability. A slow rate of increase in productivity would be expected to be associated by employers resisting union claims for improvements in terms and conditions of employment. Mergers would, therefore, be expected to increase in frequency when the rate of productivity increase is small as unions try to improve their bargaining strength. Furthermore, as was discussed earlier, technological change is considered as promoting merger through its 'blurring effect' on demarcation lines and the convergence in function produced by its introduction. On both these counts, therefore, a positive relationship between productivity and merger intensity is to be anticipated.

An adjunct to this point should be noted. Hobsbawm (1964:147) identified an expansion of business activity coupled with a decline in profit margins during the period of technological stagnation as a contributory causal factor in the upsurge of 'new unionism' between 1889 and 1893. In other words, the expansion of business activity was achieved through the intensification of work rather than through the
introduction of technological innovation. This combination of circumstances is reported by Garvy (1943) and Mandel (1980) as being related to specific stages of the long economic cycle. The effects of technological innovation are more notable during the upswing when increased aggregate demand allows for their full utilisation. Accepting this to be the case necessitates the recognition that productivity, like company mergers, is not independent from other factors. That is, its effect may differ according to the movements in other indicators thereby requiring care in the interpretation of the results associated with the regressor.

**Unionisation Variables**

**Density of unionisation.** Union density is the proportion of all employees legally allowed to belong to a trade union that do so and is symbolically represented as follows:

\[ UDEN = \frac{T}{P} \times 100 \]

where \( UDEN \) : union density  
\( P \) : potential union membership

Union density is a measure of union organisation intended to capture the 'saturation effect': 'the greater difficulty of further increasing union membership as union density rises, partly because there are fewer workers left to recruit and partly because those who are left have less propensity and/or ability to unionise' (Bain and Elsheikh, 1976:67). Voos (1983 and 1984) demonstrates that the costs of organising union membership increases the higher the degree of organisation already achieved. These additional costs are also supplemented by those arising
from conditions of increased inter-union competitiveness for membership such as the need to maintain an 'aggressive wages policy' thereby raising the likelihood of costly industrial action.

It is to be anticipated that union density and merger activity will be positively related. Merger represents a policy whereby unions may expand their bases of recruitment. It also allows for the circumvention of the Bridlington Principles. The cost of organising new membership increases the more 'saturated' is existing organisation, yet unions require a 'viable growth policy'. It is likely, therefore, that merger activity will increase as membership density rises causing unions to search for new areas for recruitment in order to maintain such a policy.

Union growth. The regressor employed to capture the effects of membership increase or decline is the rate of change of union growth. Contributory factors to the maintenance of union organisational stability are membership growth and the financial reserves derived from membership contributions. Declining union membership, therefore, induces organisational instability. With reservations, this view was empirically supported by Chaison who states that absorbed and amalgamating unions most often had declining or unchanged pre-merger membership, while absorbing unions were generally growing prior to merger. However, the predicted membership change-merger relationships were certainly not persuasive. More than a third of the absorbed and amalgamating unions grew prior to merger and more than a quarter of the absorbing unions declined (1981:106).

Clearly, different industrial patterns of employment and policies with respect to growth might explain those cases which run counter to the aggregate hypothesis. Unfortunately, Chaison does not pursue these
points. In the aggregate, however, it is assumed that merger intensity and the rate of union growth are negatively related.

Two supplementary points relating to membership growth are pertinent. Firstly, the average size of unions has increased throughout the period under study. A large membership confers organisational stability in terms of the accumulation of funds, economies of scale and a heterogeneity of membership. It is likely, therefore, that the impact of the rate of change in union growth will vary across time, the impact being more pronounced during the initial period of the study when unions were relatively smaller. Secondly, the intervening status of union growth is beyond dispute. Studies covering both British and American unionism have demonstrated the influence of structural factors on union growth (Bain and Elsheikh, 1976 and Ashenfelter and Pencavel, 1969). Hence when used in conjunction with structural variables the variance in the rate of union growth measure may be captured by that in the structural variables, thereby eliminating or reducing the explanatory power attributable to it.

**Funds per member.** Following from organisation theory it is assumed that unions struggle to maintain organisational autonomy through the avoidance of external control and/or manipulation by other organisations. For an absorbed union merger is a cessation of organisational autonomy. A high ratio of funds per member confers organisational stability thereby acting as an inhibitor to merger. Conversely, low funds per member promotes merging by accentuating the
desire to achieve organisational stability. A negative relationship is, therefore, expected between funds per member and merger intensity.

Union formations. Chapter 2 established that waves in the formation rate of unions are broadly co-incidental with those of merger intensity. Two explanations are advanced as to why this is the case. Firstly, the organisationally unstable, newly formed unions may merge among themselves in order to strengthen organisation. Secondly, an increase in the number of unions heightens inter-union competition for membership. As the newly formed unions are, by definition, organisationally unstable, such competitive conditions promote merger as these unions are unable to compete with their more well established counterparts. Both of these hypotheses lead to the suggestion that union formations and union mergers will be positively related.

But the co-incidence of occurrence does not necessarily imply causality. It could be argued, for example, that an increase in the formation rate is attributable to an increase in rank and file organising initiative; concurrent merger activity resulting from rank and file dissatisfaction with the existing trade union structure. In other words, the two sets of events have the same source but are not in themselves causally related. Chapter 6 investigates such possibilities in more detail within the framework provided by the regression analysis.
Political Variables

Distribution of the national product. Trade unionism is concerned not only with distribution but also with power: power to influence the allocation and utilisation of labour on the one hand and power to influence the distribution of the national product on the other. Hibbs (1978) and Shalev (1978) have investigated this latter aspect of trade union function with respect to the incidence of strike activity. Strike activity is one aspect of trade union behaviour. Trade union structural reform is another. It is not unreasonable, therefore, to assume that merger activity is similarly influenced by the desire to achieve a trade union structure which will be most effective in allowing for the influencing of the distribution of the national product.

The premise upon which such investigations are based is that the political process has increasingly come to influence the final distribution of the national product. In this sense political competition and conflict have developed to supplement industrial bargaining and conflict. This point is derived from the insight of Ross and Hartman who recognised that 'the state can influence the workers' economic welfare more powerfully through tax policy, public spending, economic planning, and social welfare legislation than the unions can effect it through collective bargaining' (quoted in Shalev, 1978:479). This influence has been made more pronounced by the gradual transfer of friendly society functions from trade unions to the state. Indeed, Pizzorno (1978) has argued that a 'political barter' now dominates trade union behaviour, whereby restraint is exercised at the bargaining table in exchange for greater influence at the level of the national polity.
In order to achieve this influence unions must act through the TUC, which organises access to government committees, or the Labour Party. The institutional provisions of both the TUC and the Labour Party grant enhanced voting status to larger unions. Merger constitutes a means whereby union membership size may be most rapidly increased. It is anticipated, therefore, that there will be a positive relationship between increasing state control of distribution and merger intensity.

The regressor used as a proxy for the increasing state control of distribution, following Hibbs (1978), is that of state expenditure expressed as a proportion of Gross National Product. Employing this regressor does not imply agreement with the argument Hibbs develops in its support. For, as Shalev comments,

> What is new about Hibbs's argument is not his expectation that working class strategies of conflict are affected by political power of the workers. Rather, the novelty is Hibbs's belief that this relationship between power and strategy is mediated solely by the distributional role of the state (1978:480).

Hibbs's argument, as with the approach of the economists discussed above, represents a 'special case within a general theory'. The regressor, state expenditure as a proportion of the Gross National Product, is, therefore, employed in the context of this study on the recognition that the influence of the distributional role of the state is only one aspect, albeit an important one, of the relationship between workers' power and strategy.

**Legislative intervention.** A further influence upon the relationship between trade union power and strategy is that of legislation. Two specific aspects of legislation are examined here: the impact of
legislation covering the procedural requirements whereby merger may be achieved and the effect of legislation 'repressive' to trade unionism.

As has been discussed earlier in this chapter, each successive piece of legislation covering mergers constitutes an easing of the voting requirements for merger completion. Therefore, legislation is regarded as promoting merger on enactment, resulting in the anticipation of a positive relationship between legislation and merger activity. A zero-one dummy variable is employed for each piece of legislation, 'one' applying to the year of its introduction and all subsequent years.

The 'repressive legislation' variable is similar to that employed by Cronin (1979:80) in his study of industrial conflict in modern Britain. Four periods are covered by the variable. The first is 1901-06 when the Taff Vale judgement was in force. This judgement called into question the legal immunities granted to trade unions, or more specifically trade union funds, through legislation passed between 1871 and 1876. It was deemed that unions were responsible for civil damages in respect of actions taken by their members or officials in furtherance of a trade dispute to the extent that 'there was no clear limit, short of an empty treasury, to the damages which could be awarded against a union's funds' (Clegg et al., 1964:316). Furthermore, the legality of picketing was also brought into question leading Askwith, the noted arbitrator of the period, to declare that strikes were 'for all practical purposes absolutely illegal' (quoted in Hutt, 1975:47).

The Osborne Judgment, 1910-13, sought to restrain unions from spending funds for political purposes. In so doing it 'offered an interpretation of the law which appeared to render illegal not only any
political activity in the parliamentary sense, but any association in bodies like trade councils or the TUC' (Hutt, 1975: 58).

The Trades Disputes and Trade Union Act, 1927-45, was passed as a punitive measure for the General Strike of 1926. It imposed restrictions on striking, revised the rules governing trade union political funds requiring 'contracting in' and 'precluded civil service unions from associating with unions outside the service, thus forcing them to withdraw from Congress and the Labour Party' (Clegg, 1985: 423).

The Industrial Relations Act, 1971-74, deprived unions of immunities protecting the right to strike, tried to make the majority of collective agreements legally binding, defined a series of unfair practices for which both unions and individual members could be legally penalised and instituted compulsory strike ballots.

As with the merger legislation a zero-one dummy variable is employed for each piece of legislation, 'one' applying to the year of its introduction and continuing until its repeal. As all these measures constitute attacks on the organisational stability of unions it is to be anticipated that the repressive legislation variable will be positively related to merger intensity. In other words, unions consolidate through merger during periods of legislation unfavourable to the maintenance of their stability.

Conservative Government. This regressor is represented by a dummy variable: 'one' equals present, 'zero' equals absent. In the aggregate it is a measure of the 'political climate', in particular the complexion of the political centre. To a degree it may also be regarded as an
indicator of the political status of trade unionism. A Labour government is generally regarded as being 'friendly' to trade unionism while its Conservative counterpart is more likely to be 'unfriendly'. Its inclusion is justified on the grounds that in different political climates trade union behaviour may change (Shorter and Tilly, 1974; Snyder, 1975). There is no a priori expectation of the direction of its effect for, as was discussed earlier, the chain of causation for this variable is indeterminate due to length.

The Number of Trade Union Sponsored Members of Parliament. The number of trade union sponsored MPs is a proxy for the extent of trade union institutionalisation and public acceptance. The 'new unions' of 1889-1893 immediately sought to protect their organisational stability through influencing parliamentary decision-making. This policy was adopted on the recognition of the limited 'strength' in collective bargaining of such unions once the initial phase of unionisation of the semi-skilled and unskilled had subsided. In other words, the improvements in terms and conditions achieved through collective bargaining were supplemented by the pursuit of influence within the national polity. For example, Clegg et al. (1964:92) refer to the 'tendency to look to parliamentary and municipal action to solve labour's problems' as a 'distinguishing feature' of the new unions. The interest in parliamentary action among the new unions promoted a similar interest within the longer established unions with the result that during the period of TUC reform, 1918 - 1927, initial steps were taken.
towards formalising the means whereby this influence was achieved (Allen, 1960).

During the period of the operation of institutionalised industrial relations the growth of union representation within Parliament continued apace, Coates and Topham (1986:127) reporting that in addition to direct sponsorship unions also engaged parliamentarians as 'consultants'. A negative relationship is expected between the number of trade union sponsored MPs and merger activity. The greater the degree of public acceptance of trade unionism so it is anticipated that organisational stability is enhanced thereby reducing the need to merge to maintain or achieve this goal.

CONCLUSION

Existing research on merger activity was reviewed on the basis of the delineation of the factors influencing its occurrence into environmental and organisational categories. The environmental influences are regarded as being influential to aggregate merger activity whereas the organisational influences are particular to specific mergers. The environmental influences are regarded as exerting a 'continual but varied' influence upon trade union structure which, during specific periods, act to promote the adoption of merger as a favourable strategy for trade unionists. By contrast, the organisational influences are considered as constituting barriers to mergers. These barriers are overcome when the pressure impelling unions towards mergers arising from the environmental influences is such that organisational stability is put under threat. As the initial purpose of this study is to establish an explanatory framework within which the wave pattern of
aggregate merger activity can be analysed, attention was directed towards the examination of the effect of the environmental influences.

Three categories of environmental influence were distinguished: economic, unionisation and political. In describing the impact on merger activity of the influences from each category emphasis was placed on the inter-relatedness of these influences both within and between categories. In particular, it was noted that some factors are most usefully regarded as being of intervening status between other influences and merger activity. For example, the rate of change of union membership has been isolated as impinging upon merger activity, yet union membership has also been shown to be dependent upon business cycle fluctuations. The implications of these inter-relationships for the application of regression analysis, the method chosen to establish the explanatory framework, were briefly considered. In Chapter 4 they are examined in greater detail.

The final section of the chapter was comprised of operationalised descriptions of the impact of the regressors to be employed in the regression analysis. These operationalised descriptions were founded upon existing theoretical propositions associated with their effect on merger activity. The operationalisation of variables within the three categories of environmental influence allows for the analysis of the purely economic approach to an aspect of trade union behaviour, the merger process, and analysis of the more recently advanced theories in which emphasis is placed upon causality derived from the socio-political status of labour.
Footnotes

1. Multicollinearity may be a problem in regression analysis. It arises when two or more of the independent variables are highly correlated, thereby making it difficult to separate the impact of each of the variables on the dependent variable. Multicollinearity is, therefore, a problem of degree, the more highly correlated the independent variables so its effect is more likely to undermine the validity of the assumptions upon which regression analysis is based.

2. Trough and peak are constructed measures of the depth of depressions and the height of booms within the business cycle. The trough index is calculated by recording the years for which unemployment was greater than in either the preceding or subsequent years. For the years intervening between these 'recession years' the value of the index is the rate of unemployment recorded for the previous trough, unless the rate in the current year exceeds that in the recession year, in which case the current rate is substituted (Edwards, 1981:63). The peak measure is calculated analogously.

3. Geroski and Knight (1984) discuss the likely consequences on trade unions of the 'direction' of company merger activity. This discussion is taken up in detail in Chapter 5.

4. Potential union membership is defined 'to include all employees, whether employed or unemployed, who are legally permitted to unionise. More specifically, potential union membership is the labour force minus employers, the self-employed, and ... members of the armed forces' (Bain and Elsheikh, 1976:67). A full justification of this definition is available in Bain and Price (1980:6-9).
MULTIVARIATE ANALYSES

In Chapter 3 hypotheses were developed from a literature review and operationalised in the light of the available data. This chapter includes the 'testing' of these hypotheses and thereby provides the framework for the analysis presented in later chapters. Regression analysis is the focus of the chapter. There are two purposes to which this analysis is directed.

The first is the examination of trade union merger activity under different institutional circumstances; namely, the implementation of collective bargaining and the operation of institutionalised industrial relations. With reference to other aspects of trade union activity, Snyder (1975) has argued that it is only when industrial relations is institutionalised that political and unionisation factors can be analytically ignored. Conversely, in a non-institutionalised setting political and unionisation factors are thought to have a more pronounced influence in relation to economic factors. This formulation is based on the premise that trade unions are 'political' as well as economic institutions. As such the impact of political factors is likely to be greater before unions become firmly established. Similarly, prior to their institutionalisation unions are particularly prone to unionisation influences as they are smaller and less stable. The impact of unionisation factors is, therefore, thought to be most pronounced before institutionalisation which confers a degree of organisational stability.
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The first objective of the regression analysis is to test these propositions with respect to merger activity.

The second objective is to generate aggregate explanatory models for both the periods of non-institutionalised and institutionalised industrial relations. This allows both for a further testing of the propositions mentioned above and for a thorough examination of the relative effect of the explanatory variables. This examination is necessary for, as was acknowledged in Chapter 3, the 'intervening status' of several of the variables makes for difficulties in interpretation.

Given these objectives, and the use of regression analysis to achieve them, this chapter is comprised of three principal sections. The second and third deal in turn with the two aspects of the regression analysis. The first includes an outline of the mode of presentation of the regression results and a justification of the approaches adopted. It is accepted that these approaches will not find favour with all those familiar with the regression technique. Indeed, given the vast range of approaches to this matter, universal satisfaction is unobtainable. The approaches adopted here are determined by the objectives to which the analysis is directed.

PRESENTATION OF RESULTS

For clarity of presentation the regressors are abbreviated to the following forms:

RV: the level of real wages
ARV: the rate of change of real wages
AWR: the rate of change of money wages
In addition to recording the level of significance, the value and sign of the regression coefficients are also reported. Following Shorter and Tilly (1974) and Cronin (1979), standardised rather than the non-standardised regression coefficients are presented; that is, Beta coefficients rather than simple βs. Unlike purely econometric studies, the central concern of which is the overall predictive power of the equations, this study is also concerned with the relative causal significance of the various influences. Beta coefficients are the measure, in terms of standard deviations, of the degree of change brought about in the dependent variable by a change of a single standard deviation in the explanatory variable. Standardised regression coefficients, therefore, allow for direct comparison of causal importance. Furthermore, trade union structural form has developed throughout the duration of the period studied; for example, average union size and membership concentration has increased. It is likely, therefore, that the impact of the explanatory variables change in the light of these developments. The employment of Beta coefficients allows for this likelihood to be examined. In other words, Beta coefficients provide the basis of analysis both within and between the different models.

The coefficient of determination ($R^2$) is reported after the correction for degrees of freedom has been undertaken. While all the equations include a constant term this is not presented for reasons of tabular clarity. The final reported measure is the Durbin-Watson statistic (D-W), the test for first order serial correlation. It is a measure of the degree of correlation between residuals, the difference between the observed values of the dependent variable and those
\( \Delta P: \) the rate of change of retail prices  
\( \text{PEAK:} \) index of business cycle peaks  
\( \text{TROUGH:} \) index of business cycle troughs  
\( \text{COMER:} \) the number of manufacturing company mergers  
\( \text{UDEJ:} \) the level of union density  
\( \Delta \text{MEM:} \) the rate of change of union membership  
\( \text{FUNDS:} \) the level of union funds per member  
\( \text{FORM:} \) the formation rate  
\( \text{STCONC:} \) state expenditure as a proportion of Gross National Product  
\( \text{MP:} \) the number of trade union sponsored members of parliament  
\( \text{REPLEG:} \) the presence of legislation repressive to trade unionism  
\( \text{CON:} \) the presence of a Conservative government  
1917: the Trade Union (Amalgamation) Act 1917  
1964: the Trade Union (Amalgamation) Act 1964  
\( \text{BREAK:} \) the breakaway rate  
\( \text{TREND:} \) time trend

The simple correlation coefficients between these variables are shown in Appendix B.

To the knowledge of the author this is the first study in which regression analysis is applied to data on British trade union merger activity. To this extent the results to be discussed are exploratory. The significance of the regressors is, therefore, presented at the 1 per cent, 5 per cent and 10 per cent levels. Following the established convention, *** represents 1 per cent significance, ** 5 per cent and * 10 per cent. Regressors not labelled with these conventions do not attain significance.
In addition to recording the level of significance, the value and sign of the regression coefficients are also reported. Following Shorter and Tilly (1974) and Cronin (1979), standardised rather than the non-standardised regression coefficients are presented; that is, Beta coefficients rather than simple $\beta$s. Unlike purely econometric studies, the central concern of which is the overall predictive power of the equations, this study is also concerned with the relative causal significance of the various influences. Beta coefficients are the measure, in terms of standard deviations, of the degree of change brought about in the dependent variable by a change of a single standard deviation in the explanatory variable. Standardised regression coefficients, therefore, allow for direct comparison of causal importance. Furthermore, trade union structural form has developed throughout the duration of the period studied; for example, average union size and membership concentration has increased. It is likely, therefore, that the impact of the explanatory variables change in the light of these developments. The employment of Beta coefficients allows for this likelihood to be examined. In other words, Beta coefficients provide the basis of analysis both within and between the different models.

The coefficient of determination ($R^2$) is reported after the correction for degrees of freedom has been undertaken. While all the equations include a constant term this is not presented for reasons of tabular clarity. The final reported measure is the Durbin-Watson statistic (D-W), the test for first order serial correlation. It is a measure of the degree of correlation between residuals, the difference between the observed values of the dependent variable and those
predicted by the equation. The Durbin-Watson statistic always takes a value between zero and four, a value of two indicating no serial correlation. A low or high recorded value in the Durbin-Watson statistic indicates that there is a regular pattern within the dependent variable unexplained by the included explanatory variables.

Econometric textbooks include tables for assessing the value of the Durbin-Watson statistic applicable to a particular equation at both the 5 per cent and 1 per cent levels. As the central concern of this study is with the examination of the relative effect of the different independent variables rather than with the construction of an econometrically exact explanatory model, such precision is unnecessary. The guideline adopted here is that any Durbin-Watson statistic with a value in excess of 1.35 is indicative of an absence of serious problems of autocorrelation; values between 1.1 and 1.35 are inconclusive and values below 1.1 suggest severe deficiencies and demean the purpose of the significance tests.

In addition to these technical matters relating to the presentation of the regression results, there is the question of the order of introduction of the different explanatory factors. Edwards (1981: 67-81) introduces the factors in the order economic, unionisation and then political, justifying the precedence given to economic factors on the grounds that 'it is a commonplace that economic conditions influence the development of the labour movement...not only [its] rate of growth... but also its character' (1981: 60). The initial order of presentation follows that of Edwards; the economic influences are discussed and then the unionisation factors. The inclusion of the unionisation influences at the second stage is justified on the grounds that existing work on
union growth. Ashenfelter and Pencavel (1969) and Bain and Elsheikh (1976), has demonstrated the intimate causal effect of economic factors upon the process of unionisation. The purpose of this second section is to examine whether the inclusion of the impact of unionisation adds explanatory power to the economic influences.

Edwards (1980: 79-80) adds political variables, or institutional variables as he calls them, to a combined economic and unionisation model. In this study a purely political explanation is developed prior to the presentation of the aggregate model. Two reasons are provided in support of this alternative approach. Firstly, in supplementing a combined economic and unionisation model with political variables to test for additional explanatory power is to assume that the political factors are not determinate of the economic. Such an assumption, which Edwards does not elaborate upon, runs counter to much recent work on the relationships between the economic and the political; see for example, the debates on the causal factors underlying inflation in Hirsch and Goldthorpe (1978). Secondly, to study merger activity is to analyse an institution in process. As such it is assumed that there is a wide range of political factors impinging upon this process. Their analysis in a separate model allows for consideration of their relative impact. Furthermore, the subsequent development of an aggregate model, rather than the addition of political factors to a combined economic and unionisation model, permits a fuller understanding to be gained of the inter-relationships between individual influences. In particular, the intervening or mediating influences of variables can be assessed.
BUILDING THE EXPLANATION

The Economic Explanation

The unemployment rate and the rate of change of real wages are the variables most frequently used by economists to explain the variation in trade union activity. Initially, therefore, these variables, both singly and in combination, were regressed against the intensity of merger activity. The results were unsatisfactory and did not improve with the introduction of lags into the model. A variety of experiments were undertaken to produce an economic model consistent in operation during both periods. PEAK was found to be the most effective business cycle indicator. In combination with the level and rate of change of real wages and the number of manufacturing company mergers, an operable model resulted. The absence of the productivity variable confirms the point, developed in Chapter 3, that its impact is intervening between that of the included variables and merger intensity. The solutions to the prediction of merger intensity employing these variables are presented in Table 4.1.

TABLE 4.1

REGRESSION RESULTS, ECONOMIC VARIABLES: DEPENDENT VARIABLE, INTENSITY

<table>
<thead>
<tr>
<th>Year</th>
<th>PEAK</th>
<th>COMER</th>
<th>RW</th>
<th>ΔRW</th>
<th>ΔP</th>
<th>ΔWR</th>
<th>R²</th>
<th>D-W</th>
</tr>
</thead>
<tbody>
<tr>
<td>1893-1939</td>
<td>-0.915***</td>
<td>0.255**</td>
<td>0.384**</td>
<td>0.305***</td>
<td></td>
<td></td>
<td>0.49</td>
<td>1.36</td>
</tr>
<tr>
<td>1893-1939</td>
<td>-0.908***</td>
<td>0.230*</td>
<td>0.426**</td>
<td></td>
<td>-0.312*</td>
<td>0.419***</td>
<td>0.50</td>
<td>1.37</td>
</tr>
<tr>
<td>1946-1979</td>
<td>-0.336*</td>
<td></td>
<td>1.033***</td>
<td>0.194</td>
<td></td>
<td></td>
<td>0.57</td>
<td>1.96</td>
</tr>
<tr>
<td>1946-1979</td>
<td>-0.302*</td>
<td>0.072</td>
<td>0.507*</td>
<td></td>
<td>-0.034</td>
<td>0.563**</td>
<td>0.62</td>
<td>1.99</td>
</tr>
</tbody>
</table>
The results lend some support to the hypothesis that the impact of economic factors is greater during the period of institutionalised industrial relations. The proportion of the variance in merger intensity accounted for by the economic model is higher for the latter period. Furthermore, the lower values recorded in the Durbin-Watson statistic for the period 1893-1939 indicate that a consistent pattern of unexplained variance exists suggesting the importance of other causal factors during the implementation of collective bargaining. It does not necessarily follow, of course, that this may be attributed to unionisation and political factors.

It is also apparent that fundamental differences exist between the two periods in terms of the relative effect of the economic influences. The impact of the PEAK variable was significant within both periods although during the implementation of collective bargaining its effect was most pronounced among the economic indicators. As the PEAK measure is an indicator of high booms in the business cycle, the negative sign attached to it suggests that merger intensity is depressed the higher the peak of the business cycle. In Chapter 2 it was noted that the upswing of the economic long cycle is characterised by business cycle booms of long duration and higher peaks than those of the downswing. Given that merger activity is more pronounced during the downswing of the economic long cycle, it might tentatively be suggested that the influence of the business cycle acts to suppress merger activity during the upswing. It is also apparent, however, that the impact of the business cycle differs in magnitude between the two long cycles being less marked during the second. This suggests that increases in union
size and membership heterogeneity enhance organisational stability with respect to business cycle influence.

The significance attained by the company merger variable during the implementation of collective bargaining but not during the later period is surprising in a number of respects. Firstly, Buchanan asserts that company mergers lead to a disturbance in established collective bargaining arrangements which, in turn, promote union merger activity. It would be anticipated, therefore, that the impact of company mergers would be most accentuated after World War II when collective bargaining was firmly established. Secondly, company mergers ipso facto lead to an increase in company size. Such increases have been associated with the growth of trade union membership (Bain and Blsheikh, 1980 and Brown, 1981:53-61). Chaison (1981) demonstrated that union growth exerts a positive influence on merger activity. It would, therefore, be anticipated that during the second economic long cycle, for which Hannah (1983) records the incidence of extensive company merger activity, a significant positive relationship between the two forms of merger activity should prevail. This expectation is further strengthened by reference to the institutionalisation theorists who suggest that the impact of economic factors is more marked when industrial relations is institutionalised.

It is apparent that existing explanations of the relationship between company and union mergers are inadequate. Several other possibilities may be advanced. Prior to World War II, unions were smaller, had narrower recruitment bases and, in the aggregate, were more homogeneous in membership. The impact of company mergers is likely, therefore, to have been more pronounced as unions strove to match the
increases in company bargaining strength derived from such mergers. Furthermore, union mergers may have been achieved to correspond with the geographical growth of companies through merger. Unfortunately, data are not available on company mergers to allow for the testing of this proposition.

Chapter 3 acknowledged that company mergers are themselves 'intervening'. The failure of the variable to attain significance during the second long cycle may be attributed to the effect of the factors causal to the incidence of company mergers 'capturing' the variance in trade union merger activity whereas during the initial period company merger activity has an independent effect. This view is supported by the variation in the sign attached to the variable during the operation of institutionalised industrial relations. The regressor COMER is a measure of the number of manufacturing company mergers. It excludes those company mergers in other sectors such as banking, retailing and other services. The growth of trade union organisation in these sectors has been particularly rapid since World War II. As the dependent variable, merger intensity, is an aggregate measure, it does not allow for internal variation within the trade union merger process. The growth in service sector trade unionism may be co- incidental with an increase in the proportion of the merger process attributed to unions organising such membership. The failure of the company merger variable to attain significance may, therefore, result from shifts in the internal pattern of the trade union merger process.

The level of real wages had a significant direct effect on merger activity during both periods. Its relatively stronger impact during the later period is consistent with the institutionalisation thesis.
rapidly rising real wages promotes merger activity supports Buchanan's (1974:43-44) contention that union mergers may be brought about as part of a union's policy to maintain differentials. The weaker impact of the variable during the implementation of collective bargaining, however, runs counter to Buchanan's position. Given the larger number of unions, their more homogeneous memberships and the stronger traditions of craft identity prevalent during this period, it is anticipated that the impact of the maintenance of differentials would be most pronounced in these circumstances.

The level of real wages is an indicator of the workers' standard of living. That this standard of living is positively related to merger activity is indicative of trade union structural re-organisation being pursued when bargaining objectives are being achieved. This evidence is problematic for those arguing that merger activity is entered into to increase bargaining power and thereby standards of living. The relationship between the level of real wages and merger activity may, however, be mediated by the effect of the former upon membership growth for, as Bain and Elsheikh comment, workers 'are more likely to become and remain union members in an attempt to maintain this standard' (1976:62).

The rate of change of real wages did contribute significantly to the causation of mergers during the first long cycle but failed to do so during the second. This runs strongly counter to the institutionalisation theorists' propositions given the theoretical importance of the variable as a measure of the discrepancy between aspirations and achievement. Its failure to attain significance after World War II does, however, lend support to the view that as trade
unions come to adopt an 'intermediate' character, influences upon the rank and file become less determinate of union behaviour. In other words, the direct impact of the rate of change of real wages on the rank and file during the implementation of collective bargaining has immediate consequences in terms of merger activity whereas latterly, as the separation between leadership and rank and file widens, the direct influence upon the rank and file is not reflected in the leadership sanction of merger.

Breaking down the rate of change of real wages into its price and wage elements marginally improves the solution during both periods. Whereas both elements achieved significance before World War II only the rate of change in money wages did so after its culmination.

High inflation acts to suppress merger activity. The impact of inflation is, however, less marked during the later period, suggesting that the increase in union average size confers a resistance to its impact. The inverse relationship between inflation and merger activity runs counter to Buchanan's (1981:48) assertion that high inflation is the source of financial difficulties for smaller unions. In so far as rising prices are an indicator of industrial prosperity, it is apparent that such prosperity inhibits merger activity, a result consistent with that recorded for PEAK, and suggesting that the achievement of bargaining goals in such circumstances reduces the need to improve bargaining strength through merger.

Contrary to the findings on inflation is the consistently positive and significant relationship between the rate of change of money wages and merger intensity. For if the 'credit effect' on union membership is expected and organisational stability inhibits merger activity, a
negative relationship between the rate of change of money wages and merger intensity is to be anticipated. It is apparent, however, that the impact of the rate of change of money wages has a stronger alternative effect. An explanation may be developed on the lines that as money wages increase unions merge to raise their organisational strength in order to maintain the rate of improvement in money wages. As a corollary to this point, Buchanan (1974:43) suggests that when money wages are rising a 'widening of the bargaining area' and 'simultaneous bargaining' are promoted which in turn stimulate union mergers.

These results suggest that, while the direction of the relationship between the economic variables and merger activity remains constant, there is considerable variation in their effect between the two periods. This variation is the most likely source of the failure of the initial experiments to develop an explanatory model using the unemployment rate and the rate of change of real wages. It also provides justification for the separate analysis of the two periods as it is apparent that the merger process is not subject to constant economic influence between 1893 and 1979.

**Unionisation and the Merger Process**

Table 4.2 shows the results of the separate addition of the unionisation variables to the economic model for the two periods. Their addition provides some support to the institutionalisation thesis in so far as these variables both attain significance and add to the explanatory power of the equations during the implementation of collective bargaining but do not for the period of institutionalised
industrial relations thereby indicating that organisational stability is more independent of unionisation factors during the later period. The results, therefore, provide further support for the differentiation of the merger process into these two periods. Moreover, the overall improvement in the Durbin-Watson statistics for the first long cycle suggest that the pattern of unexplained variance in the dependent variable is markedly reduced by the inclusion of the unionisation variables thereby implying greater stability in the explanatory model. Exceptions exist, most notably in the rate of change of union membership, which was the only unionisation variable that did not achieve significance during the implementation of collective bargaining, and those including the formation rate which attained significance during both cycles.

TABLE 4.2

REGRESSION RESULTS, ECONOMIC AND UNIONISATION VARIABLES: DEPENDENT VARIABLE, INTENSITY

1893 - 1939

<table>
<thead>
<tr>
<th>PEAK COMER RV</th>
<th>ΔRW</th>
<th>ΔP</th>
<th>ΔWR UNIONISATION</th>
<th>R²</th>
<th>D-W</th>
</tr>
</thead>
<tbody>
<tr>
<td>-0.739*** 0.083 0.160</td>
<td>0.263***</td>
<td></td>
<td>0.498*** (UDEH) 0.68</td>
<td>1.74</td>
<td></td>
</tr>
<tr>
<td>-0.685*** 0.115 0.045</td>
<td></td>
<td>-0.407*** 0.280*** 0.535*** (UDEH)</td>
<td>0.69</td>
<td>1.86</td>
<td></td>
</tr>
<tr>
<td>-0.899*** 0.272*** 0.333*</td>
<td>0.314***</td>
<td></td>
<td>-0.079 (ΑΕΜ)</td>
<td>0.49</td>
<td>1.38</td>
</tr>
<tr>
<td>-0.896*** 0.219* 0.402**</td>
<td>-0.186</td>
<td>0.500*** -0.252 (ΑΕΜ)</td>
<td>0.52</td>
<td>1.40</td>
<td></td>
</tr>
<tr>
<td>-0.959*** 0.113 0.441***</td>
<td></td>
<td></td>
<td>-0.455*** (FINDS)</td>
<td>0.69</td>
<td>1.92</td>
</tr>
<tr>
<td>-0.962*** 0.083 0.507***</td>
<td>-0.226* 0.352*** -0.448*** (FIND)</td>
<td>0.69</td>
<td>1.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-0.757*** 0.096 0.636***</td>
<td>0.045</td>
<td></td>
<td>0.533*** (FORM)</td>
<td>0.63</td>
<td>1.37</td>
</tr>
<tr>
<td>-0.747*** 0.107 0.589***</td>
<td></td>
<td>-0.131</td>
<td>0.125</td>
<td>0.503*** (FORM)</td>
<td>0.63</td>
</tr>
</tbody>
</table>
The level of union density is the aggregate measure of the extent of unionisation and is employed to capture the 'saturation effect'. The variable achieved significance prior to the onset of World War II at the expense of that for the number of manufacturing company mergers and the level of real wages. While the level of union density failed to achieve significance during the later period, significance was removed from the level of real wages in the equation in which the rate of change of real wages was broken down into its wage and price components. The removal of significance from economic variables by the inclusion of the level of union density indicates that this latter variable is itself a function of economic influences. PEAK, the level of real wages and the rate of change of money wages accounted for 65 per cent of the variation in the level of union density between 1893 and 1979, confirming this point.

The significance attained by the level of union density during the implementation of collective bargaining demonstrates that the saturation effect is most pronounced in the promotion of merger activity when the recruitment bases of unions are inclined towards being 'closed'. Chapter 3 acknowledged that unions need to maintain a 'viable growth policy'. If
union membership is saturated and union recruitment bases are closed, such a policy can only be achieved through merger.

It might be argued that the level of union density was lower in absolute terms between 1893 and 1939 than between 1946 and 1979; therefore, the impact of the saturation effect should be more pronounced during the latter period. While this is undoubtedly the case, the preponderance of craft unions and unions with limited geographical recruitment bases effectively imposed an internal restriction on 'merger search parameters'. The failure of the level of union density to achieve significance after the culmination of World War II indicates a broadening of union recruitment bases thereby allowing for wider merger search parameters. For example, this tendency is evidenced by the creation of white-collar sections within large unions traditionally organising manual workers during the 1960s and 1970s.

The rate of change of union membership, included as an indicator of organisational stability, failed to achieve significance during either period. Furthermore, between periods the impact of the variable changed sign, being initially inversely related to merger activity. During the first long cycle, the rate of change of retail prices loses significance. This is not entirely unexpected as Bain and Elsheikh (1976) have demonstrated that retail prices have a marked influence upon the pattern of union growth. Indeed, the failure of the Durbin-Watson statistic to improve with the inclusion of the rate of change of the union membership variable also indicates that there is no improvement in the explanation of the pattern of variance in the dependent variable, again suggesting that the economic variables are causal to that covering the rate of change of union membership. The level of real wages, the
rate of change of retail prices and the rate of change of wage rates explained 54 per cent of the variance in the rate of change of union membership between 1893 and 1979.

The results, therefore, neither confirm nor deny that the rate of change of union membership is a mediating factor between the economic influences and merger activity despite its theoretical importance as the source of membership contributions and thereby organisational stability. The change in sign of the variable between the two periods, however, is of importance. The inverse relationship during the initial period supports the notion that organisational instability is a more intimate function of membership contributions. The smaller average size of unions during this period makes them particularly susceptible to the impact of membership fluctuations. The operation of institutionalised industrial relations is associated with unions of larger average size and more diverse membership which confers organisational stability, therefore making them less prone to the rate of change in union membership. The change in sign of the variable is indicative of the rising impact of competitive recruitment on the merger process. The broadening of union recruitment bases results in new membership to the trade union movement being 'eligible' for membership of a larger number of unions thereby bringing the unions into closer contact. Such contact promotes merger activity.

The level of union funds per member is a direct measure of financial stability. Whereas the rate of change of union membership is an approximate index of union income, the level of union funds per member accounts for the relationship between income and expenditure as well as accumulated assets. The negative sign throughout is as
anticipated; the more financially unstable unions are the more intense
the merger activity among them. The variable attains significance during
the implementation of collective bargaining at the expense of that for
the level of manufacturing company mergers whereas for the later period
it remains insignificant although the rate of change of money wages
looses significance.

It would appear that the smaller average size of unions during the
initial period makes them more prone to financial adversity. Buchanan
(1981:48) contends that 'rapidly rising prices...tend to create
financial difficulties for small unions'. The results for the period of
the implementation of collective bargaining, when this condition should
be most strongly operative, suggests that the the level of funds per
member has an impact on merger activity above and beyond that of
inflation. In other words, while rising prices may adversely effect the
level of union funds, they do not account for all the impact of the
latter on merger activity. Inflation is, therefore, not the primary
source of financial instability.

This raises the question of why the level of union funds did not
add to the explanatory power of the equations during the period of
institutionalised industrial relations? A number of explanations may be
developed which will be the subject of scrutiny in later chapters.
Firstly, the extent of centralised financial control may have increased,
thereby limiting the degree to which financial decline may occur. For
example, the executive of a union may refuse to sanction strike action,
and thereby the payment of strike benefit, if union resources are at a
low ebb. Secondly, the internal reorganisation of union finances may
lead to the measure, the level of funds per member, differing in form.
Latta (1972) suggests that there is an increasing tendency towards a greater proportion of union income being derived from investments and that unions substantially increase their assets during the operation of institutionalised industrial relations. Finally, the index of funds per member is an aggregate measure. Phelps-Brown and Hart (1957), Simpson (1972) and Buchanan (1981b) have demonstrated a continuing tendency towards increasing concentration of union membership. Despite changes in the sources of union income, membership contributions still remain the predominant source (Latta, 1972). It seems reasonable, therefore, to assume that in tandem with increasing membership concentration there is a greater concentration of union funds. This raises the likelihood that the level of union funds per member, as an aggregate measure, increasingly fails to reflect the impact of financial adversity on those unions most susceptible to its influence; namely, the smaller ones. The large financial resources of the larger unions acts as a disproportionate influence on the index.

The formation rate was the only unionisation variable to attain significance during both periods. During the initial period this was achieved at the expense of that for the number of manufacturing company mergers, the rate of change of real wages and both its component parts, whereas during the second there was a loss of significance for the level of real wages and the rate of change of retail prices. As with both the level of union density and the rate of change of union membership, this widespread loss of significance among the economic variables suggests an intimate causal association between the economic factors and the formation rate. The impact of the formation rate was relatively stronger during the second period. Indeed, in terms of explaining the variance in
the dependent variable, the formation rate was the most effective unionisation variable during this later period.

The results offer support for both hypotheses developed in Chapter 3: namely, that the emergence of new unions promotes merger activity as such unions merge among themselves to achieve organisational stability or that such unions are absorbed by larger competitor unions as they are unable to provide equivalent membership services. The aggregate nature of the variable precludes differentiation between these hypotheses at present; a more detailed analysis is provided in Chapter 6.

In so far as the inclusion of unionisation variables adds to the explanatory power of the equations these results support the tenet of the institutionalists who argue that unionisation factors will have a stronger effect on trade union activity prior to the institutionalisation of trade unionism. It would be to overstate the case, however, to argue that this analysis 'proves' that unionisation factors have no influence once institutionalisation is established. Earlier work on trade union growth and the results of this study suggest that while unionisation factors do not add to the explanatory power of the economic influences after institutionalisation, they may mediate the impact of the economic influences upon merger activity.

A Political Explanation

In justifying the order of presentation of the regression results, the development of a unilinear model was rejected. For the sake of completeness the results of such an approach are presented in Appendix C. Only two political variables, the number of trade union sponsored MPs
and the proportion of GNP constituted by state expenditure, achieved significance. These findings illustrate the technical difficulties in specifying political variables. The purpose of regression analysis is to explain the variation in the dependent variable. Clearly political variables such as repressive legislation, merger legislation and party of government have limited variance; for example, a particular piece of merger legislation can only be introduced once. The political variables attaining significance in combination with their economic and unionisation counterparts were those with annual or, in the case of the number of trade union sponsored MPs, almost annual variation. Examining for the relative effect between political variables is, therefore, technically problematic arising from the character of the variables themselves.

Numerous experiments were tried to develop an operable model using solely political variables applicable to both periods. The lack of success with this venture was not entirely unexpected on two counts. Firstly, the political variables are not internally consistent and, as such, are fundamentally dissimilar from the economic and unionisation factors. For example, the character of the legislative changes, whether repressive or merger, are substantially different with a variety of effects, yet these are not differentiated within the regression analysis. Similarly, the presence of a Conservative government does not imply a constancy in policy. The policies of the MacMillan administration towards trade unionism differed in many crucial respects from those adopted by the Heath government, although both are represented by the same variable. Secondly, and arising from the first point, the impact of the political variables is likely to affect both
the character and the rate of the merger process. This impact may differ in relative effect between these two components, the single dependent variable has been employed at this point, however, for reasons of comparability with the other models. Table 4.3 shows the relative effects of the political influences in isolation.

Repressive legislation had a different effect between the two periods, acting to suppress merger activity during the implementation of collective bargaining and stimulating it with institutionalisation. This is contrary to the overall expectation of institutionalisation theory from which it is expected that repressive legislation would initially stimulate merger activity as unions strove to maintain organisational stability in a hostile legislative environment. As was mentioned above, however, such a discrepancy may be explained in terms of the specific nature of the legislation involved rather than by reference to aggregate theory.

**Table 4.3**

**REGRESSION RESULTS, POLITICAL VARIABLES: DEPENDENT VARIABLE, INTENSITY**

1893-1939  
-0.210(REPLEG) +0.825(1917)*** -0.521(CON)*** +0.193(STCONC)  
-0.981(TREND)  
R² = 0.50, D-W = 1.72

1946-1979  
0.309(REPLEG)*** +0.595(1964)*** +0.268(STCONC)**  
R² = 0.56, D-W = 2.39

The Industrial Relations Act 1971 stimulated merger activity. It would appear, therefore, that the exposure of unions funds to the actions of the courts promoted mergers in an attempt to forestall any financial consequences that might undermine organisational stability. Of
course this explanation would be on firmer ground had the level of union funds per member proved significant during the period of institutionalised industrial relations. In combination the findings relating to both variables suggest that it was the smaller unions that were particularly prone to the provisions of the Industrial Relations Act. An additional effect of the Industrial Relations Act was to promote the registration of staff associations as trade unions. These newly registered unions may have been organisationally unstable when placed in competition with extant unions. The stimulating effect on merger activity of the Industrial Relations Act may, therefore, also be partially accounted for in terms of the increase in the number of small, organisationally unstable unions.

As both the Trade Union (Amalgamation) Act 1917 and its successor of 1964 eased the voting requirements necessary for merger consummation, the positive signs attached to the variables meet expectations. The provisions included in the respective Acts lead to increases in merger activity, but these provisions are quite clearly distinct in character. Chapter 6, therefore, includes an examination of these differences in character and how they impinge upon the merger process.

The negative sign attached to the variable signifying the presence of a Conservative government indicates that a political climate unfavourable to trade unionism leads to a reduction in merger activity. Again this finding is contrary to institutionalisation theory from which such a climate would be anticipated to promote merger activity in the pursuit of organisational stability.

The impact of the increasing distributional role of the state was to stimulate merger activity. That the regressor, STCONC, achieved
significance during the operation of institutionalised industrial relations lends weight to Pizzorno's (1978) contention that striving for influence at the level of the national polity has become a determinant of trade union activity.

Before developing an explanation of merger causation within the framework established in Chapter 2 for the two periods, it is necessary to comment upon the effect of the variable for the number of trade union sponsored MPs, an index of the extent of trade union institutionalisation, to which the reader has yet to be introduced. No satisfactory equations employing only political influences and including this variable were produced. Tables 4.4 (page 129) and 4.5 (page 135) show that the variable has a marked effect during both periods. During the implementation of collective bargaining the number of trade union sponsored MPs is inversely related to merger activity whereas it is positively related during institutionalised industrial relations. These relationships are as expected from the rise of trade unions as intermediary organisations. The greater the degree of institutional acceptance during the implementation of collective bargaining the more organisational stability is secured. Mergers, being a means whereby organisational stability is achieved, therefore decline as security is achieved institutionally rather than by internal union reorganisation.

Once institutional acceptance is secured during institutionalised industrial relations, trade union activity is directed towards the influence of the national polity in order to achieve conditions favourable to bargaining. Union membership size is a central factor in attaining this influence. Merger is the policy that most rapidly increases a particular union’s membership size. Merger activity would be
PAGE NUMBERS CUT OFF IN ORIGINAL
expected to increase, and indeed does, the more pronounced the union influence upon the national polity as indexed by the rise in the number of trade union sponsored MPs.

THE AGGREGATE EXPLANATION

Expectations from the Analytical Framework

From the analytical framework developed in Chapter 2, it is assumed that trade unions have both bargaining and organisational objectives. The economic influences, therefore, have two causal routes of effect upon the merger process. The first is through their impact upon the economic circumstances of trade union membership. If such circumstances are regarded as unsatisfactory, improvement will be sought. As a prerequisite to securing this improvement, merger may be pursued to strengthen organisation and thereby enhance opportunities for the improvement of economic circumstances.

Economic factors also impinge upon the maintenance of organisational stability. This effect is mediated by the unionisation influences. It was also acknowledged that changes in the character of trade union organisation and the nature of the environment within which trade unions function suggest that inter-relationships between these routes of influence are subject to variation between the two delineated periods. These inter-relationships were seen as a function of the stage of development of trade unions in their rise to 'intermediary' status. During the implementation of collective bargaining the impact of the economic circumstances of trade union members was thought to be most influential upon merger activity as the relationship between membership
and leadership was relatively close. The smaller average size of unions during this period resulted in their organisational stability being at its most susceptible to adversity in unionisation and political situation as smaller unions have less accumulated financial reserves and a limited membership from which contributions may be drawn. The organisational stability of such unions is, therefore, prone to relatively small adverse changes in the unionisation and political influences which effect their financial status.

It was hypothesised that once industrial relations was institutionalised these inter-relations would change. Trade unionists, or more specifically trade union leaders, being more involved in the national polity strive to influence policy formulation and thereby provide a favourable framework within which collective bargaining can be conducted. The increase in the average size of unions cushions the impact of the unionisation influences upon organisational stability. As membership has become more concentrated this 'cushioning' is uneven in impact. Furthermore, the more pronounced separation between membership and leadership points towards a weakening of the potential of the membership to promote merger directly through its own initiative. It is, therefore, the theory of the rise of trade unions as intermediary organisations that forms the backdrop to the discussion of the aggregate equations.

Implementation of Collective Bargaining

Equations 2, 3 and 4 of Table 4.4 all include unionisation as well as economic influences. These results confirm the results presented in Table 4.2. Furthermore, they support the contention that organisational
stability is particularly prone to the impact of unionisation influences. The combined inclusion of economic and unionisation variables also indicates that the economic circumstances of trade union membership is a determinant of merger intensity during the implementation of collective bargaining.

TABLE 4.4
REGRESSION RESULTS. AGGREGATE EXPLANATIONS FOR THE PERIOD OF THE IMPLEMENTATION OF COLLECTIVE BARGAINING: DEPENDENT VARIABLE, INTENSITY

<table>
<thead>
<tr>
<th>Equation 1</th>
<th>Equation 2</th>
<th>Equation 3</th>
<th>Equation 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.191(COMER)* -0.520(△MEN)*** +0.623(FORM)*** -0.488(COM)*** -0.222(REPLEG)*</td>
<td>0.515(FORM)*** -0.252(△MEN)*** -0.223(COM)*** -0.642(PEAK)*** +0.518(1917)***</td>
<td>0.248(UDE)** -0.249(PEAK)** -0.500(△MEN)*** +0.495(FORM)*** -0.262(COM)***</td>
<td>0.757(UDE)*** -0.422(PEAK)*** +0.264(△RW)*** -0.323(MP)**</td>
</tr>
<tr>
<td>R² = 0.79</td>
<td>R² = 0.76</td>
<td>R² = 0.87</td>
<td>R² = 0.71</td>
</tr>
<tr>
<td>D-W = 1.61</td>
<td>D-W = 1.92</td>
<td>D-W = 1.51</td>
<td>D-W = 1.59</td>
</tr>
</tbody>
</table>

High peaks in the business cycle, associated with membership prosperity and heightened bargaining power achieved through labour market tightness, act to reduce merger activity. Ashenfelter and Johnson (1969) show that the 'expectations-achievement gap', as measured by the rate of change of real wages, is of theoretical importance in the promotion of strike activity. That is, it is directly related to the economic circumstances of trade union members. From Equation 4 it is clear that these circumstances are also influential in the promotion of merger activity. Given the theoretical proposition that trade union
leadership and membership are most closely inter-linked during the implementation of collective bargaining, it would appear that there is a direct influence upon merger activity by the membership during this period.

The inclusion in Equations 1, 2 and 3 of an inverse effect of the rate of change of union membership and the positive impact on merger activity of the formation rate lends further support to the notion that the organisational instability of recently constituted unions promotes merger activity. Similarly, the appearance of both the formation rate and the level of union density in Equation 3 suggests that the extension of the aggregate union recruitment base by newly formed unions and their subsequent merging acts as a means whereby the 'saturation' of union membership does not preclude the maintenance of 'viable growth policies'.

The inverse relationship between repressive legislation and merger intensity in Equation 1 and the absence of those economic variables most directly associated with membership conditions is again indicative of the pertinence of the membership role in merger activity. The fundamental component of the repressive legislation regressor is the Trades Disputes and Trade Union Act passed as a punitive measure following the General Strike of 1926. It was accompanied by an 'unprecedented calm' in industrial relations during 1927, 1928 and the first half of 1929 (Clegg, 1985:427). Regression technique does not allow for the differentiation in effect between the legislation and the sobering after-effects of the General Strike. However, the suggestion of the centrality of the membership role in the promotion of merger activity is supported on both counts. The impact of both these factors
was to constrain and curtail membership initiatives. As was shown in Figure 2.1, this constraint was co-incidental with a decline in merger activity. Analyses by both Cronin (1979) and Shorey (1974) have demonstrated that strike activity was dampened by repressive legislation and the 'after-effects of the General Strike', thereby further supporting the contention developed here.

The voting requirements to secure merger necessitated a considerable degree of membership involvement in balloting. The easing of the terms of this involvement is shown in Equation 2 to have provided a further stimulus to merger activity additional to that of the economic influences and organisational instability. It is apparent, therefore, that prior to 1917 there were legislative limits to the extent of merger activity.

Assuming that economic factors influence the rate of change of union membership, the inclusion in Equations 1, 2 and 3 of both the variables for the rate of change of union membership and the presence of a Conservative government suggests that a political climate unfavourable to trade unionism dampens merger activity prior to institutionalisation. As Equations 2 and 3 also include the regressor PEAK, it is clear that this effect is supplementary to the effects of membership economic circumstances and the impact of unionisation. Two principal explanations can be developed.

Firstly, the policies pursued by the Conservative governments of the period bolstered union organisational stability thereby reducing the need to attain such stability by merger. To support or reject such a hypothesis would require an extensive review of the successive Conservative governments of the period. Clegg et al. (1964:484) comment
that between 1889 and 1910 'the privileges of trade unions had been extended by statute and made far more precise'. Conservative governments were in office between 1895 and 1905 and were partially responsible for this extension of privileges. Some support is, therefore, lent to the proposition that Conservative governments enhanced organisational stability by means of institutional provision. Evidence to the contrary, however, is also available. Conservative governments were in office when the Taff Vale judgment was passed and the Trades Disputes and Trade Unions Act enacted, both of which induced organisational instability.

A second explanation for the dampening effect of a Conservative government upon merger activity is derived from the assumption that their election is indicative of a 'political climate' that runs counter to the principles of trade unionism. In other words, if rank and file activity is a major source of propulsion of merger activity, the election of a Conservative government reflects a dampening of this source and, therefore, of merger activity. Such an explanation is consistent with the earlier findings regarding the REPLEG variable and the inter-relationships between the economic and the unionisation influences. Similarly, the election of a Conservative government may turn membership interests inwardly towards the maintenance of existing labour market terms and conditions; that is, away from the wider issues of organisational structure. Cronin (1979:212) records a decline in the number of strikes concerning 'trade union status' for the periods of a Conservative government lending some weight to this contention.

Increased institutional acceptance of trade unionism, as measured by the number of trade union sponsored MPs, also acts as a constraint upon merger activity during the implementation of collective bargaining.
The negative sign attached to this variable and that for a Conservative government appear contradictory. The nature of the process measured by them unravels this apparent contradiction. The election of a Conservative government is a national phenomenon necessitating the participation of the population en masse. The sanctioning of trade union sponsorship of a potential member of parliament lies within the ambit of responsibility of a union's executive. Furthermore, the relationship ensuing from the election of that member of parliament is conducted primarily through the union leadership. A Conservative government is indicative of the broader situation of labour whereas the number of trade union sponsored MPs is a more specific indicator of institutional acceptance prior to institutionalised industrial relations.

The negative signs attached to the variables are, therefore, consistent in the light of earlier findings. A Conservative government is indicative of a dampening of membership initiative, a pre-requisite for merger activity given the legislative requirements. The increase in the number of trade union sponsored MPs evidences a greater political influence of trade unionism conferring organisational stability. Such stability is a goal of the merger process. Furthermore, it follows from the assumptions underlying intermediate organisation theory that trade union structural stability is particularly susceptible to the extent of political acceptance during the implementation of collective bargaining.

Operation of Institutionalised Industrial Relations

By comparison with Table 4.4 the outstanding features of Table 4.5 are the changes in the direction of the relationship between merger activity and the rate of change of union membership, the presence of a
Conservative government and the number of trade union sponsored MPs. In combination with the appearance of the level of union funds in Equation 1, these features all confirm the notion that merger causality is not constant but is a function of the institutional setting of trade unionism. The operation of institutionalised industrial relations is marked by a relatively pronounced effect on merger intensity of the economic and political factors as measured by the Beta coefficients attached to the variables. The unionisation variables included are those concerned with the institutional aspects of the process, the formation rate, the breakaway rate and the level of union funds per member; rather than with membership variation with the exception of Equation 3.

As with the earlier period, there is a strong positive influence of the formation rate upon the merger process. It would appear that the organisational instability of such unions is a continual source of merger partners. That the formation rate is supplemented in Equation 2 by the breakaway rate also lends support to this contention. As with the legislation enacted in 1917, the Trade Union (Amalgamation) Act 1964 led to an increase in merger intensity.

In addition to the change in sign attached to some variables evidence is also available suggesting different inter-relationships between the causal factors. Equation 3 shows that both the formation rate and the rate of change of union membership are positively related to merger intensity; this suggests that it is the inability of the newly formed unions to compete with longer established unions rather than organisational instability derived from their small size that is instrumental to their involvement in the merger process. The inclusion of the level of union funds per member in Equation 1, the only equation
from which the formation rate is excluded, further supports this notion. It may be, as Hyman argues, that the 'apparent rise in the threshold of union solvency' in the light of the 'expanding range of activities undertaken by British unions' (1983:38) precludes successful competition by these smaller unions.

<table>
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<th>Table 4.5</th>
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| **REGRESSION RESULTS: AGGREGATE EXPLANATIONS FOR THE PERIOD OF THE OPERATION OF INSTITUTIONALISED INDUSTRIAL RELATIONS:**
| **DEPENDENT VARIABLE: INTENSITY** |
| EQ. 1. | 0.159(COMER)*** +0.157(ΔVR)*** +0.415(CON)* +0.218(TROUGH)** +0.209(KP)*** -0.219(FUNDS)** |
|  | \( R^2 = 0.67 \) |
|  | \( D-W = 1.89 \) |
| EQ. 2. | 0.388(1964)*** +0.217(BREAK)** +0.564(FORM)*** +0.339(ΔRW)*** |
|  | \( R^2 = 0.74 \) |
|  | \( D-W = 1.56 \) |
| EQ. 3. | 0.625(KP)** +0.297(ΔMEM)** +0.459(RW)*** +0.567(CON)** +0.468(FORM)*** |
|  | \( R^2 = 0.77 \) |
|  | \( D-W = 1.67 \) |
| EQ. 4. | 0.456(1964)*** -0.440(PEAK)*** +0.654(ΔVR)*** -0.561(ΔP)** +0.261(FORM)** |
|  | \( R^2 = 0.72 \) |
|  | \( D-W = 1.89 \) |

Organisational stability is derived from both membership growth and bargaining status. A further factor involved in the promotion of mergers among smaller unions is likely to be, therefore, their failure to secure recognition for bargaining purposes. For example, Lerner comments that the centralisation of negotiations has fostered many breakaways; it has also been one of the most important reasons why breakaway or even 'legitimate' new unions usually fail to gain recognition (1961:194).
In addition to the increased centralisation of negotiations, the policy of excluding from affiliation those unions organising a membership which overlaps with that of an existing TUC affiliate effectively precludes recognition from within the trade union movement, further promoting organisational instability. While regression analysis does not allow for a differentiation between the impact of these two explanations, they are both concerned with the institutional security aspects of organisational stability. From the perspective of acquiring unions, the absence of a significant saturation effect influence upon merger activity points towards the broadening of union recruitment bases, thereby permitting the absorption of these smaller unions irrespective of their scope of recruitment.

With the exception of Equation 3, the results in Table 4.5 indicate that the impact of the economic variables is not mediated through membership variation during the operation of institutionalised industrial relations. The strong influence of the economic factors in combination with that of the political variables lends tentative support to the notion that the increasing differentiation in function between leadership and membership impinges upon the merger process. In this context the leadership function can be primarily regarded as the maintenance of organisational stability and the political promotion of conditions favourable to collective bargaining whereas that of the membership is more centrally directed towards bargaining.

It is a theoretical assumption of the rise of the intermediate organisation that trade unionism is accepted as a 'legitimate' institutional form and is strongly represented at the national polity once institutionalisation is achieved. The positive sign attached to the
election of a Conservative government suggests that when the political climate is such that the trade union influence over policy formulation is limited merger activity increases. Two hypotheses can be generated in explanation. Firstly, it might be argued that unions merge in order to increase their size and, therefore, secure political influence. In this context it is the relative size of unions and influence within the trade union movement and the Labour Party towards which merger is directed. Factionalism within both the TUC and Labour Party provide the impetus towards increased union size.

A second explanation related to the rise in merger activity associated with a Conservative government concerns the assumed impact of the political climate. The election of such governments might be concomittant with a hardening in employer bargaining attitudes. Unions would, therefore, merge in order to counter this hardening in attitude through enhanced bargaining strength. These explanations are not mutually exclusive. Regression analysis does not allow for their differentiation. These propositions will, therefore, be discussed in more detail in Chapters 6 and 8.

With the operation of institutionalised industrial relations a rise in the number of trade union sponsored MPs is also associated with heightened merger activity. Membership size is a determinant of a union's political influence and mergers are a means whereby size is maintained or increased. Political influence may, therefore, be enhanced through the pursuit of a merger policy. It is also to be suspected that union relative size is of importance regarding influence within the TUC and the Labour Party. Assuming a merger involving two unions, 'political' benefits are derived by both acquiring and absorbed unions.
For the acquiring union there is an increase in voting strength. Smaller unions are limited in political influence by reasons of their size. Merger may afford a smaller absorbed union access to such influence particularly if the absorption takes place within the framework of a trade group structure which allows the smaller union a degree of independence in policy formulation yet still enables it to call upon the entire membership vote - that is, of both acquiring and absorbed unions - in support within the national polity.

During the operation of institutionalised industrial relations the impact of the economic factors appears to be more directly influential rather than being mediated through membership fluctuation. Equation 4 indicates that high peaks in the business cycle suppress merger activity whereas Equation 1 shows troughs promote it. In so far as these indicies are measures of industrial prosperity, it is apparent that a strong union bargaining position in such circumstances reduces the need for structural reorganisation. The number of manufacturing company mergers is positively related to merger activity. This finding supports Buchanan's contention (1974:43 and 1981:49) that company mergers disturb established bargaining arrangements thereby promoting union mergers.

The presence of the rate of change of money wages (Equations 1 and 4), the level of real wages (Equation 3) and the rate of change of real wages (Equation 2) indicate that merger is pursued to improve bargaining strength. The positive signs attached to the variables suggest that merger is adopted as a strategy when membership conditions are improving; that is, mergers are pursued in order to meet membership expectations that existing improvements in their economic circumstances will be maintained.
The application of regression analysis to the merger data has allowed for the development of the explanatory framework for merger causality. Primary among the features of this framework is that merger causality is not a constant phenomenon but is a function of the institutional setting within which trade unionism is located. The evidence confirms the theoretical expectation that between 1893 and 1979 two principal periods can be delineated: the implementation of collective bargaining and the operation of institutionalised industrial relations. The findings of the regression analysis suggest that merger causality differs between the two periods.

The pattern of these differences lends some support to the view that the determination of the merger process is dependent upon the stage reached by trade unionism in its rise as an 'intermediary' form. The mediating effect of the membership aspects of unionisation between the economic influences and merger activity coupled to the sensitivity of merger activity to the impact of political factors, distinguish the implementation of collective bargaining. In combination these findings point towards organisational stability and its preservation as being the central purpose of the merger process. They also suggest that the membership influence upon merger activity was pronounced.

During the operation of institutionalised industrial relations economic influences impinged more directly upon merger activity; the institutional aspects of unionisation rather than the mediating role of membership fluctuation were more central, while the relationship of merger activity to its political influences altered. Bargaining status appeared to be more central as the object of merger activity during this
period. Such status is determined by both political and economic circumstances, union involvement within the national polity being directed towards the establishment of a situation favourable for bargaining.

Within this periodisation the explanatory framework was developed in four distinct stages: an economic explanation, one based on both economic and unionisation factors, a political explanation and aggregate equations. Developing the explanation of merger activity in this manner allowed both for the examination of the relative effect between and within models and for the establishment of the nature of the inter-relationships between the sets of influences. Of particular note was the stronger impact of the economic factors after institutionalisation and the additional explanatory power achieved by the inclusion of unionisation variables during the period of the implementation of collective bargaining. Furthermore, the variation in effect of the political influences precluded the development of a single stable political model across both periods. Higher $R^2$s were achieved through the generation of aggregate explanatory models indicating that the merger process is a function of economic, unionisation and political influences during both periods although the inter-relationships in effect are subject to variation.

Within the constraints of regression analysis it has been acknowledged that the specification of the effect of political variables upon social processes raises particular difficulties of interpretation (for example, Edwards, 1978 and Shalev, 1978). Such difficulties were encountered here, as alternative explanations could be developed regarding the impact of specific variables. These problems are
compounded by the mediating status of several variables. This chapter has, therefore, served as a building block in the elaboration of merger causation. The included results suggest the directions in which further analysis would be most fruitfully pursued. Clearly, the initial objective must be the more precise specification of effect upon the merger process of the political and mediating variables. Chapters 5 and 6, therefore, are directed towards this object by means of analyses of merger direction and merger waves.
FOOTNOTES

1. A value between 2 and 4 for the Durbin-Watson statistic means that
the regression equation exhibits negative autocorrelation, the
implications of which are similar to those of positive autocorrelation.
The same guideline applies to negatively autocorrelated equations by
subtracting the computed value of the Durbin-Watson statistic from 4.

2. The number of trade union sponsored MPs was employed as a variable in
the experiments to produce a purely political model. The experiments in
which the variable was included were rejected due to the unacceptability
of the Durbin-Watson statistic.
Mergers involve both acquiring and absorbed unions. To this point the discussion has focused upon measuring and analysing the frequency of absorptions. The wave pattern of merger activity has been examined by using regression analysis to provide a framework for subsequent investigation. The objective of this chapter is to add a further component to this framework through an analysis of acquiring unions and merger direction. Initially, a review of existing classifications of merger type and direction is conducted in order to isolate those features which can be usefully employed in the context of this study. These features are then drawn together and an approach to the study of merger direction developed. Distinctions are made between the different categories of merger direction in terms of both the extension of the acquiring unions' recruitment base and the goals to which the different merger directions are aimed.

Transferring the focus of the study away from merger intensity to that of merger direction is not to imply that the analysis of merger intensity is complete. It is to acknowledge that the subject of this study is the merger process in aggregate, a process with many dimensions. The intention in considering a second dimension is to inform the analysis of intensity in addition to broadening the initial, narrow focus. In Chapter 2 it was acknowledged that the organisational influences are likely to have a marked effect on the direction of merger activity. The emphasis in this chapter
remains on the environmental influences on the understanding that the initial purpose of the study is to elaborate their effect on the merger process.

MERGER DIRECTION

Three classifications of merger direction have been advanced in the literature by Undy et al. (1981), Hughes (1967) and Freeman and Brittain (1977). These will be critically examined in order to introduce the reader to the dimensions of merger direction regarded as central to this study.

Undy et al. (1981:167-219) categorise mergers as being defensive, consolidatory or aggressive by reference to the size of the unions involved. The change agents that promoted mergers were of two, not mutually exclusive kinds. First, there were absolute changes in size and second, relative size developments (1981:214). There is some ambiguity in how the authors relate other influences to these developments in size, or relative size, as only single examples are given of both defensive and consolidatory mergers, making it impossible to establish whether these other influences are common to, for example, all defensive mergers or simply the one case recorded. With this proviso in mind, it would appear that a defensive merger is characterised by two or more unions with declining absolute memberships merging to 'mitigate or reverse their numerical and financial decline'. Relative changes are seen as instrumental in bringing about a consolidatory merger. In the example provided, the formation of the AUEW, the relative size changes that acted upon the AEU and its merger partners 'were those that challenged the individual union's growth expectations and/or adversely influenced its position in some sphere of inter-union competition'. An aggressive merger is characterised by a relatively larger union absorbing a smaller one in order to 'seek the basis for further
expansion and development, sometimes into quite new job territories. Undy et al. refer to the extensive merger activity of ASTMS and the TGWU as typical of aggressive mergers.

The categorisation presented by Undy et al. is problematic on a number of counts. Firstly, the categories employed have only one direction. What may be an aggressive merger for the TGWU or ASTMS may also be defensive or consolidatory for the smaller union involved in so far as it may be experiencing a decline in membership and merge in order to reverse this decline. Indeed, a small union may merge with a large union 'aggressively' in order to make use of the servicing facilities of the large union to expand its own membership which can be achieved, within a trade group structure, while still maintaining a degree of autonomy.

Similarly, the distinction drawn between a consolidatory and a defensive merger is far from clear. A distinguishing feature of a consolidatory merger, according to Undy et al., is the perceived need of the unions involved to strengthen their position in some sphere of inter-union competition. Yet they also concede that a 'change agent' stimulating the UCATT defensive merger was the poaching activity of the TGWU. Of course, this is just the sort of inter-union competition that distinguishes a consolidatory merger.

A final point which Undy et al. fail to take into account is that of the nature of the relationship between the different forms of influence on merger activity, in general, and its direction, in particular. Using the terminology employed in this study, they fail to specify the nature and impact of the relationship between the environmental and organisational influences. Specifically, they seem to consider mergers, regardless of whether they are consolidatory, aggressive or defensive, as taking the same form. This is surprising for, given their emphasis on generalising from particular case
studies, no account is taken, for example, of post-merger union governing structures. In a subsequent study, Chaison (1982b) discovered that there was considerable variation in the 'degrees of integration' of such structures.

Omissions such as these lead to internal inconsistencies, particularly in the case of craft unions, which, as is conceded in the study, place some emphasis on the need to maintain 'craft identity'. The explanatory power of the consolidatory, defensive, aggressive differentiation is limited in this context as is evidenced by the NAOP's preference to join the TGWU rather than be involved in the merger to form UCATT. As Undy et al. indicate, the pre-merger circumstances of the NAOP were remarkably similar to those of the constituent unions that formed UCATT in terms of declining membership, financial resources and bargaining power coupled with inter-union competition and a desire to maintain 'craft identity'. Given the similarity in the 'change agents' and the single direction to their merger categories, how is it that the NAOP was 'aggressively' absorbed into a trade group structure, whereas the ASW, ASPB and AUBTW 'defensively' merged involving a fusion of their governing structures?

Hughes (1967:15-23) focuses upon the type of union merger that has occurred during 'recent years' within an investigation of the role of amalgamation in 'simplifying' trade union structure. The categorisation of mergers is based upon the traditional breakdown of unions into general, occupational, craft and industrial 'types', to which he introduces the classification of sectoral or sector-general in order to identify unions which are by historical origin or principle of organisation concentrated in a particular sector of the economy, but prone to take an open approach to the definition of that sector and ready to extend into allied fields' (1967:6). Employing such an approach Hughes derives seven categories of merger.
Hughes's classification is founded upon the 'type' of unions combining in a merger. The drawbacks of 'fitting' unions into such types are well documented. In essence the argument is that the complexity of British trade union structure does not lend itself to such precise types. For example, it is questionable if some union types, in particular industrial unions, exist or indeed have ever done so in their 'pure' form. Furthermore, such a typology conveys a static picture. The historical legacy, unique to each union, is lost.

Although not specifically relevant to the purposes of Hughes's study, two further points arise from within the frame of reference of this project. Firstly, Hughes's analysis is based upon mergers reported during 'recent years'. As he would no doubt acknowledge, a study encompassing more than 'recent years' would necessitate the introduction of several additional merger types. For example, two such types might be the amalgamation of two local unions to form a regional union, and the amalgamation of a local or regional union with a union organising nationally. Secondly, a primary drawback of an analysis based upon union types is that unions develop over time and therefore defy classification within a single category. To illustrate this, the Dock, Wharf, Riverside and General Labourers' Union was initially a labourers' union, became enlarged, arguably into a sectoral union, and then, as the absorbing union in the TGWU formation, became a general union.

The analysis of Freeman and Brittain (1977:173-85) is based on the development of an assumed theoretical link between company and union behaviour in terms of merger activity. In extending Pfeffer's (1972:382-94) work on organisation theory, Freeman and Brittain argue that the same 'logic of combination' applies to both companies and unions. Their argument is based upon either of two principles for increasing the 'power of action'. The first is a
process of combination whereby individuals or sub-units conjoin on the basis of perceived similarities... The second means of increasing the power of action involves combination on the basis of differences which complement each other' (1977:174).

From these assumptions Freeman and Brittain derive three types of mergers: symbiotic, commensalistic, and for scale. A symbiotic merger is operationally defined as occurring when 'the unions' jurisdictional descriptions, and the industries in which their members were employed, must be such that they did not claim jurisdiction over the same workers but worked with a technology such that the output(s) from one group of workers served as the input(s) for the work of the other' (1977:177). A commensalistic merger occurs 'between two unions which appeared to organise the same workers and were thus in competition with each other' (1977:178). The 'for scale' category is composed of mergers between unions which represented workers 'with no apparent connection'.

There are some difficulties with this presentation. For example, the 'for scale' category is based solely on the dimension of size and would appear to be a residual type into which mergers that do not fit into the first two categories can be allocated. Furthermore, all mergers could be considered as being for scale as by definition they involve an increase in membership size. The for scale category would also appear to be incompatible with the symbiotic and commensalistic categories as the latter include a dimension for direction, whereas the first does not. Seltzer (1977:124-26) relates this point to the categories such as 'conglomerate' used by economists and organisation theorists in classifying company mergers. These researchers, Seltzer argues, use the conglomerate category in much the same way as Freeman and Brittain use the category for scale, but in so doing imply 'more than the mere dimension of size'. This issue will be taken up in more detail below.
Research on trade union structural development has relied upon various combinations of taxonomic devices, such as trade union 'types', thus conveying a static rather than a dynamic view of structural development. Turner (1956:1962) attempted to break through the impasse of reliance upon these static taxonomic devices. He employed two categorical pairs: 'vertical and horizontal' and 'open and closed'. Vertical expansion refers to membership growth within a particular industry whereas horizontal growth is restricted to a particular occupation. Open and closed refers to the recruitment preferences in the vertical and horizontal directions. Hughes (1967:5), in criticising the open/closed dichotomy, points out that 'great empirical importance' are the 'intermediate patterns of union response, in which unions may be open in certain directions of recruitment interest, but closed in others'. As the present focus is upon the direction of aggregate merger activity, Hughes's comment is less salient than if specific unions were the main concern.

Merger is clearly a means whereby the recruitment base of the acquiring union may be expanded in either the vertical or horizontal direction. It follows that a union may be involved in a single merger in which its recruitment base is opened in both the horizontal and vertical directions: this is termed a diversifying merger. Three directions of merger activity are therefore employed here: horizontal, vertical and diversifying. Each of these is founded on the recruitment base of the acquiring union. In other words, the extension in recruitment constituted by a merger is assessed by relation to the scope of organisation of the largest union involved in the merger.

In reviewing Hughes's merger categorisation, it was noted that a historical study of trade union structure should take into account the geographical expansion of the recruitment base: that is, the tendency towards national union organisation away from that based upon region or locality. In order to
accommodate this tendency within the analysis, mergers are also considered within the dichotomy geographical/national. A geographical merger is one in which two or more unions organising on a local or regional basis are involved. A national merger involves at least one union which recruits nationally.

In deriving these different dimensions on which merger activity is conducted, it is also assumed that there are different implications in terms of the objectives achieved. In Chapter 2 the goals towards which merger was directed were discussed in terms of organisational pre-requisites and labour market influence; the latter being achieved through collective bargaining and by affecting the formulation of government policy. To the extent that organisational 'economies of scale' are, in theory, met by any merger, in so far as merger leads to an increase in membership size, they can be disregarded at this point.

Collective bargaining is the means whereby 'direct' labour market influence is achieved. In Britain collective bargaining is conducted on an industry basis. That is, bargaining is conducted within single industries, albeit at a number of levels. A vertical merger is therefore viewed as primarily conferring advantages in terms of enhanced bargaining strength - this enhanced bargaining strength being derived not only from the increased membership of the merged union but also from the organisational centralisation of union authority. It must be recognised that other benefits might accrue from a vertical merger such as the elimination of inter-union competition for membership. On the understanding that the current concern is with aggregate merger activity, such possibilities are not considered as being central to this discussion.

A horizontal merger crosses industrial boundaries while occupation remains constant. Therefore a horizontal merger does not improve union bargaining power in direct relation to industrial collective bargaining. Through increased
membership, however, the organisational stability, a pre-requisite to 'successful' collective bargaining, of the union may be enhanced. This point should not be understated for, as Buchanan (1981:47) has indicated, the weaker numerical position of some of the craft-oriented unions in relation to their general counterparts has led to a narrowing of the differential for skill which in turn has promoted mergers among the craft oriented unions. The horizontal merger is, from first principles, associated with the craft form of union organisation. It is based on the principle of 'maintaining the rate' for a particular occupation or craft; the greater the number of workers organised from within a specific craft so the bargaining position in relation to individual employers or groups of employers is enhanced.

As has been discussed, Freeman and Brittain (1977:178) regard diversifying mergers, or in their terms 'for scale' mergers, purely in terms of the pursuit of increased membership size. While size is of undoubted importance, other objectives may also underlie such mergers. For example, diversifying mergers represent a means whereby a union may overcome any restriction arising from the Bridlington Principles and thereby move into a new area of recruitment. Such moves can be considered as either 'aggressive' or 'defensive'. They are aggressive in the sense that an expansionist union is brought into competition for membership with unions from which it would otherwise have remained separate. Defensively a diversifying merger might enable a union to spread organisational risk by moving into an area of expanding employment while its initial recruitment base contracts.

Seltzer (1978:125) argues that diversifying mergers may also be undertaken to raise 'effectiveness in political action'. This can be viewed in two dimensions. Firstly, as a variant of the absolute size argument, increased political influence is achieved within the TUC and Labour Party through weight
of numbers in the 'block vote' system. Secondly, a heterogeneous membership allows for more widespread committee representation within the TUC industry committee structure. For example, the TGWU was represented in 1982-83 on eight of the nine industry committees, the exception being the printing industry committee. It is also common practice for absorbed unions to retain separate TUC affiliation. The North Wales Quarrymen (NVQ) were absorbed by the TGWU in 1923 yet retained separate affiliation to the TUC until 1960 thereby raising overall TGWU representation. This arrangement was beneficial to both unions, for as Allen comments,

the merger overcame a difficulty concerning Transport and General Workers' Union representation on the General Council of the Trade Union Congress. After the re-organisation of the Trade Union Congress in 1920 seats on the General Council were allocated to trade groups and only unions within each group could nominate candidates for the seats allocated to that group. The whole Congress, however, cast votes to determine who sat on the General Council. This meant that a small union which became absorbed in another union in a different trade group, lost its right to nominate for the General Council(1957:50).

Of the seven TGWU members on the General Council for 1982-83, two were from the Agricultural and Allied Workers' National Trade Group and the Dyers, Bleachers and Textile Workers' National Trade Group and are former general secretaries from unions absorbed by the TGWU whose former memberships form majorities within these trade groups.

Arguments relating to the achievement of organisational stability through increased membership size also apply to the attainment of national organisation. Similarly, enhanced bargaining strength is derived from national organisation given the tendency towards increase in company size, the establishment of national collective bargaining and the more pronounced distributional role of the state. These benefits can be achieved through federation as well as through merger, however; a point to be considered in detail in subsequent chapters.
The notion of merger direction, as described above, is founded on the extension of the recruitment base of the acquiring union. In previous chapters attention has been focused on the pattern of absorptions to the neglect of the role of acquiring unions. By way of introduction to the discussion of merger direction, therefore, the following section is comprised of a summary of the patterns to be found within acquiring unions. Additionally, suggestions are advanced in explanation of these patterns. At this juncture, however, these can only be considered as tentative, for assessment in the light of the evidence presented in the chapters to follow.

Worker Involvement

The index of worker involvement\(^2\) in merger activity is symbolically represented as follows:

\[
\text{worker involvement} = \frac{W}{T}
\]

where \(W\) : total membership of acquiring and absorbed unions.

\(T\) : total trade union membership.

In Figure 5.1 the now familiar wave pattern is reproduced with peaks occurring at 1921, 1947 and 1972. The minor peak at 1937 is attributable to the absorption of the Saw Handle Trades Protection Society organising 24 members by the GMUU with a membership of 358,869. In Figure 2.2, showing the density of merger activity, the peak for the first merger wave is markedly higher than that for the second principal wave. The reverse is clearly in evidence for worker involvement. This is partially explained in terms of the provisions of the legislation enacted in 1917 and 1964. In effect the graphs show that during the first merger wave the proportion of the worker involvement index made up by the membership of the acquiring unions was not as pronounced as during the
second. The amalgamation provisions introduced in 1917 necessitated substantial votes from both the memberships of acquiring and absorbed unions thereby penalising larger unions. By contrast, the transfer of engagements provisions included in the 1964 Act required a ballot only of the absorbed unions' membership.

An explanation of the discrepancy between the two graphs in purely legal terms would, however, appear unsatisfactory as the transfer of engagement provisions were initially introduced in 1940, yet there is no marked divergence between the density and worker involvement measures between 1940 and 1964. Two other explanations are applicable. Firstly, during the second wave the tendency towards increased concentration of union membership resulted in the larger unions being proportionately larger than their counterparts during the first wave. Secondly, there may have been more composite mergers\(^3\) during the first wave than during the second thereby acting to reduce the relative proportion of workers involved from the acquiring unions.

**Size of Acquiring Unions**

The mean size of acquiring unions is derived from the following formula:

\[
\text{mean size of acquiring unions} = \frac{A}{X}
\]

where \(A\) : the aggregate membership of acquiring unions.

\(X\) : the number of merger cases.

The trend, illustrated in Figure 5.2, is towards an increase in the mean size of acquiring unions. From first principles this is to be anticipated from both the tendencies towards increase in the average size of unions and concentration of union membership. Two points are, however, of salience to the development of the argument here.
Five year moving average of worker involvement in merger activity
Before World War II the mean size of acquiring unions rose steadily. Yet, between 1893 and 1940, the CR$_1^o$ rose from 40.1 per cent to 48.7 per cent. The mean size of acquiring unions during the post-war period showed wide fluctuation, albeit within a more rapidly rising trend. Between 1946 and 1982 the CR$_1^o$ rose by 2.4 per cent from 55.3 per cent to 57.7 per cent. In other words, when the rise in the CR$_1^o$ was most pronounced the increase in the mean size of acquiring unions was least marked. This suggests that the tendency towards increased concentration is of little assistance in explaining the trend in the mean size of acquiring unions. A significant rise in the trend is recorded after 1964 indicating that the legislation is influential. The transfer of engagements provisions, by eliminating the need for a ballot among the membership of the acquiring union, effectively removed any restriction on merger activity arising from membership size.

**Acquisition Proportions**

Figures 5.3 and 5.4 illustrate the proportion of unions and membership absorbed by unions of different size groups: this proportion is termed the acquisition proportion. Figure 5.3 illustrates that the acquisition proportion for larger unions has increased whereas that for smaller unions has declined. The acquisition proportion of unions from the intermediate size groups has remained broadly constant. The pattern within these trends is, however, uneven. Given that by 1916 there were only four unions organising more than 100,000 members, it is unsurprising that the acquisition proportion for these unions remained relatively small. During the first merger wave the acquisition proportion attributable to these unions rose slightly before tailing off during the depression of the mid-1920s. A further increase coincided with the rise in aggregate trade union membership after 1933, again followed by a reduction.
FIGURE 5.2

FIVE YEAR MOVING AVERAGE OF THE MEAN SIZE OF ACQUIRING UNIONS
during World War II. During the period characterised by the 'operation of institutionalised industrial relations', the acquisition proportion of the larger unions continues to increase but with less marked fluctuation. The impact of the transfer of engagements provisions introduced in 1940, and their easing with the enactment of the 1964 legislation, does not appear to be significant.

The pattern of the acquisition proportion for smaller unions exhibits more fluctuation. Immediately prior to the outbreak of hostilities in 1914, it peaked at 88 per cent only to fall significantly during the first merger wave. The rise in the acquisition proportion attributable to intermediate sized unions was marked during the first merger wave. The subsequent depression saw a further increase in the acquisition proportion of the smaller unions largely at the expense of that of intermediate sized unions. As the acquiring union is the largest union involved in any merger, it follows that the mergers during this period were between smaller unions, again suggesting that the depression was most hard felt by the smaller unions. It is noteworthy, however, that the acquisition proportion of the intermediate sized unions declined significantly during this period indicating that the smaller unions predominantly merged among themselves rather than with unions from the larger size groups. With the upturn in union membership in 1933, this trend was reversed as intermediate sized unions acquired proportionately more of those unions absorbed.

The peak in the acquisition proportion of the smaller unions recorded in 1946 is largely accounted for by the formation of the IPCS, the 'absorbing' union of which was the Aeronautical Inspection Directorate Technical Staff Association of 6118 members. The post-war decline in the acquisition proportion of the smaller unions is marked by less extreme fluctuation than that during the implementation of collective bargaining. Preceding the second principle merger wave, however, consecutive increases in the acquisition proportion of
Figure 5.4: Five-year moving average of the proportion of membership absorbed by size group of acquiring unions.
Figure 5.4 illustrates the trends in the acquisition proportion by membership. The tendencies are similar to those revealed in Figure 5.3 with the larger unions acquiring a greater proportion of the absorbed membership at the expense of the smaller unions, the acquisition proportion of which shows a marked decline. The pattern within these tendencies is, however, divergent from that of the acquisition proportion by unions. Notably, the acquisition proportion by membership of the larger unions exhibits a wave pattern broadly consistent with that of the density in aggregate merger activity. This is to be expected given that merger waves are associated with the absorption of larger unions. Also of note is the relatively large acquisition proportion of intermediate sized unions between 1935 and the onset of the second principal merger wave.

Comparison of Figures 5.3 and 5.4 reveals that although the acquisition proportion of smaller unions remained at about 35 per cent after 1967 the proportion of membership absorbed constituted by such mergers remained well below 10 per cent. In other words smaller unions continue to absorb similar sized unions at a substantial rate, yet the total membership absorbed is marginal to the aggregate merger process. It remains to be answered why such unions merge among themselves rather than into larger unions with more substantial financial resources and wider provision of membership services. Chapters 6 and 10 move toward the development of an explanation of this phenomenon.

While the proportion of unions absorbed by larger unions hovered around the 80 per cent mark during the years following World War II, the proportion of membership constituted by such absorptions fell. This suggests that smaller
Figure 5.5: Five-year moving averages showing the relative proportions of the merger process constituted by national and departmental absorptions of unions.
Figure 5.6 Five year moving averages showing the relative proportions of the merger process constituted by national and geographical absorptions of membership.
unions were absorbed by the larger unions during this period. By contrast the acquisition proportion by membership of the intermediate sized unions rose during the same period whereas by unions a less significant rise is recorded, indicating that intermediate sized unions were merging together.

It would appear that both the 1917 and 1964 Acts were influential in allowing larger unions to acquire a more substantial proportion of the total membership absorbed. The influence of the transfer of engagements provisions introduced in 1940 appears negligible with respect to both acquisition proportion measures.

THE EVIDENCE ON MERGER DIRECTION

Geographical and National Mergers

Figures 5.5 and 5.6 illustrate the relative proportions by unions and by membership of the merger process constituted by geographical and national mergers. Figure 5.5 illustrates a slight tendency towards increase in the number of unions absorbed nationally, a tendency more marked in recent years. The first principal merger wave was preceded by increases in geographical mergers during the recessions following the turn of the century and between 1910 and 1912. The slight increase in the proportion of geographical mergers between 1919 and 1922 is coincidental with the occurrence of the absorption of small unions recorded in Chapter 2. It is, of course, to be anticipated that unions involved in geographical mergers are relatively smaller than those organising nationally.

The increase in the proportion of geographical mergers during the mid-1940s is attributed primarily to the formation of the NUM from the regionally organised Miners' Federation of Great Britain. Similar to its predecessor, the second principal merger wave was preceded by marked geographical merger
activity followed by a steady increase in national merger activity which peaked at the termination of the wave.

Figure 5.6 reveals a similar pattern for geographical and national mergers by membership as that for unions. The different proportions exhibited in the two graphs is explained by the relatively smaller size of geographical unions. Of particular note is the relatively higher proportion of geographical membership absorption during the non-wave periods, indicating that those influences exerting a continual effect on merger activity have a relatively more pronounced effect on geographical mergers than upon national mergers. Little observable difference is recorded in terms of the periods characterised by the implementation of collective bargaining and the operation of institutionalised industrial relations with the partial exception of the period around the turn of the century. This does not readily support those who advocate the growth of collective bargaining as being the central explanatory factor of merger patterns. For, if this were so, the post-1945 period would consist in the main of national mergers. Similarly, theorists supporting an explanation of merger activity based upon the determinacy of industrialisation and, in particular, company structure could not anticipate the recorded pattern.

Explanations can be developed within the context of the unionisation process. The first of these is based upon the understanding that union formations, as was noted in Chapter 2, continue to occur albeit in a wave pattern. Such newly formed unions are unlikely immediately to achieve national status for their organisation. It is therefore possible that these unions constitute a large proportion of the post-World War II geographical component of the merger process. A second, and complementary, explanation is derived from the existence of industrial federations of unions. Federations allow for the achievement of national organisation for collective bargaining purposes while
the organisation of their constituent unions need not attain national status. It could be suggested that geographically based unions might merge within the confines of a federation should, for example, a contraction in industrial employment and therefore membership threaten the organisational stability of individual unions.

The Shape of the Merger Process

Three directions to merger activity have been identified: horizontal, vertical and diversifying. Following the method adopted initially by Shorter and Tilly (1974:46-56) with reference to strike activity, the data are presented in the form of boxes. The dimensions of the boxes represent the different directions of merger activity as follows:

![Diagram of boxes representing V, H, and D]

The data are presented in Figures 5.7 and 5.8 as a percentage of the aggregate merger process, meaning that: V+H+D = 100 per cent. A particular acquiring union is regarded as only being able to diversify into a specific industry and occupation once. Therefore, with reference to the historical base of recruitment of that union, the diversification measure is understated. As it is the aggregate merger process that constitutes the focus of this study, however,
FIGURE 5.7

The shape of the merger process by unions absorbed.
FIGURE 5.8

THE SHAPE OF THE MERGER PROCESS BY MEMBERSHIP ABSORBED

1893 - 1910
1901 - 1910
1911 - 1920
1921 - 1930
1931 - 1940
1941 - 1950
1951 - 1960
1961 - 1970
1971 - 1983
understatement with respect to specific unions is regarded as marginal to the development of the aggregate argument.

Figure 5.7 illustrates the shape of the merger process by decade with respect to unions absorbed. It is apparent that vertical mergers predominate throughout with horizontal absorptions constituting a consistently small proportion of aggregate merger activity. There is considerable fluctuation within the diversifying dimension. During the implementation of collective bargaining, there is a marked trend towards increase in the proportion of unions absorbed in diversifying mergers. With the exclusion of the decade 1941-50, which as has already been discussed was 'exceptional', diversifying absorptions constituted a similar proportion of aggregate merger activity throughout the period of institutionalised industrial relations.

Horizontal mergers occur least frequently throughout. As has been commented, such mergers are to be associated with the dominance of the 'craft type' of union organisation. The small proportion of horizontal mergers during the twentieth century can therefore be explained in terms of merger activity during the last quarter of the nineteenth century. Both G.D.H.Cole (1924:77) and Clegg et al. (1964:7) refer to the wave of merger activity among craft unions, sparked by the adoption of the 'new model' administrative form and aimed at 'national coverage'. Trade union function during this period was based on the 'method of mutual insurance' whereby union organisation was directed towards the protection of workers in specific occupations regardless of industry. It is to be anticipated, therefore, that such mergers would include a strong horizontal dimension. The infrequency of horizontal mergers can be viewed in terms of the abandonment of the method of mutual insurance in favour of collective bargaining. Collective bargaining, established on an industrial basis, requires vertical rather than horizontal organisation for maximum effectiveness.
The shape of the merger process by membership absorption is exhibited in Figure 5.8. Comparison of Figures 5, 7 and 5.8 reveals that the shape of the boxes covering the years 1893 to 1920 are similar, indicating that the size of the unions absorbed in the different directions was broadly constant. Between 1921 and 1930 relatively larger unions were absorbed in the diversifying direction. This period includes the formation through amalgamation of the two major general unions and the subsequent absorption by the TGWU of the Workers' Union. The final decade associated with the implementation of collective bargaining, was marked by a similarity in size of unions absorbed in the different directions.

A more marked trend is discerned for the post-war period. During the decade 1951 to 1960 relatively small unions were absorbed in diversifying mergers whereas in the two subsequent decades the larger unions absorbed were in such mergers. It has already been established that larger unions are absorbed during the wave periods. The relative proportion of the merger process by membership is smaller than that by unions in both the vertical and horizontal directions between 1961 and 1983 suggesting that it was the diversification in recruitment base that was the primary feature of the second principal merger wave in terms of the larger unions absorbed.

**Towards an explanation of the changing shape of the merger process**

Several explanations have been offered as to why there has been variation in the shape of the merger process. These will be examined in detail below. By way of introduction, however, this variation is discussed in terms of the development of institutionalised industrial relations. Two periods have been delineated: 1893-1939, characterised by the growth of collective bargaining, and
1946-1983, regarded as the period of the operation of institutionalised industrial relations.

The growth of collective bargaining was co-incidental with a predominance of vertical mergers although during the final two decades diversifying mergers increased markedly. Vertical mergers are associated with an increase in union industrial bargaining power. The predominance of vertical mergers is therefore consistent with the rise of national collective bargaining and the growth of employers' organisations. The vertical expansion of recruitment base, and hence increasing bargaining strength, being required to match that acquired by the employers through their combination in associations.

The increase in diversifying mergers between 1921 and 1940 can be explained in similar terms. The diversification in recruitment base during this period is associated with the formation of the major general unions. Unions with a tendency towards craft organisation relied upon the difficulties encountered by employers in the replacement of their skilled members as the foundation to their bargaining stance. General unions were not in such a position as Will Thorne, first General Secretary of the NUGMW noted:

If we should confine ourselves to one particular industry such as gasworks, alone, and if those other people in various parts of the country are let go unorganised, then, if we had a dispute with any of the gas companies, these men would be brought up to be put in our places (quoted in Hobsbawm, 1979:18).

In other words, the tendency towards diversification among the labourers' unions was the principal means whereby such unions could improve their industrial bargaining position; to recruit into membership all those who could 'blackleg' on the existing membership.

Although vertical mergers continued to predominate throughout the period of institutionalised industrial relations, diversifying mergers consistently increased proportionately. As collective bargaining had been firmly established
by the outset of this period, an explanation based upon this feature is clearly inadequate. It has been acknowledged, however, that collective bargaining has been supplemented by political influence as a means whereby employment terms and conditions can be improved. It has also been argued that the pursuit of increased membership size enables such political influence to be exerted more effectively. The tendency towards diversification could therefore be viewed as a means whereby acquiring unions achieve enhanced political influence.

It could also be argued, and the evidence so far presented does not allow for firm rejection or acceptance, that the Bridlington Principles introduced in 1939 coupled with the reduction in the aggregate number of unions promoted merger diversification. The Bridlington Principles laid down, in general terms, restrictions upon the scope of union membership recruitment. Unions need to maintain membership growth in order effectively to pursue their functions. Diversifying mergers may therefore constitute the means whereby growth can be achieved while simultaneously overcoming the restrictions imposed at Bridlington. While not refuting this argument, data exist to show that individual unions could achieve the required rates of growth without the necessity of merger: for example, between 1951 and 1979 aggregate trade union membership rose from 9,247,000 to 12,702,000. However, aggregate figures may disguise industrial variation in membership patterns. It is unlikely therefore that this argument can be developed to provide a full explanation of the diversification in the merger process during this period although it may account for some of the tendency.

In aggregate terms the changing shape of the merger process is not inconsistent with the development of institutionalised industrial relations. More specifically, three other explanations can be derived from the literature to explain this changing pattern. These are the variation in the direction of
company merger activity, the effects of increasing density in union organisation and the policy of the TUC.

Company Mergers and Merger Shape

Buchanan (1974: 42) observes that company merger waves have been 'largely simultaneous' with those among unions. Geroski and Knight (1984) argue that company mergers have two effects upon union structure. Firstly, through their impact on company size they promote an increase in unionisation. This proposition, based on the earlier work of Bain and Elsheikh (1980), will not be considered here for the impact of unionisation on merger diversification is discussed below. The second effect is the result of the influence of company mergers upon product market concentration and hence employer bargaining strength. Geroski and Knight state that

corporate merger enhances product market power making price increases easier, and this permits the firm to more readily offset money wage increases by price increases to restore control over the product wage and of profits. In addition, it may provide a firm with the opportunity to restore its control over work organisation and labour productivity (1984:53).

Based upon this latter point Geroski and Knight argue that it is the direction taken by company mergers that is central to their impact upon unions. For this to be the case, however, their principal reference must be the merging of British companies or the extension through merger of a multi-national holding in Britain rather than the initial entry into the British market by a multi-national corporation.

A horizontal company merger unites competitors in the same product market thereby raising industrial concentration. As such a merger reduces the number of immediate competitors and 'increases the ease of collusion between those remaining' the cost of any dispute to the combined firms is reduced. Since
horizontal company mergers raise the capacity of firms to predict industrial output, 'there is a clear incentive for workers to establish intra-industry and inter-plant/intra-firm links' (1984:54).

By contrast, a conglomerate company merger enhances company bargaining power through the broadening of both financial resources and product market diversification. An inter-industry response on behalf of workers is anticipated in order to match the increase in company bargaining power. In other words, the pursuit of membership size is regarded as the expected union response to company diversification. It is in this context, however, that differences in internal 'government' between companies and unions have their most direct effect upon bargaining. For, whereas a conglomerate company merger produces an organisation of unified government and action, a diversifying union merger need not have the same consequences. Inter-industry union co-operation, even within the same organisation, is notoriously difficult to achieve.

Finally, Geroski and Knight argue that a vertical company merger enhances company bargaining power by protecting 'the upstream firm against the permanent loss of sales to its downstream customer' (1984:54). It is, therefore, the bargaining position of the workers in the upstream firm that are adversely affected by such a merger. In order to retain relative bargaining position, intra-industry union mergers are to be anticipated as unions attempt to maintain influence against both upstream and downstream firms.

In the absence of a consistent data series covering company mergers disaggregated by direction, it is impossible to apply regression analysis to 'test' these propositions. Recent studies by Hannah (1974) and Cowling et al. (1980), however, allow for a partial examination of the Geroski and Knight position. Of the large company mergers occurring between 1880 and 1918, Hannah (1974:11) reports 87 per cent as being horizontal, 12 per cent as vertical and
The expectations of the Geroski and Knight stance are lent tentative support by reference to Figures 5.7 and 5.8. Vertical union mergers dominated both in terms of unions and membership absorbed between 1893 and 1920. Moreover, during the same period, the diversifying proportion of the union merger process remained small as did that among conglomerate company mergers.

By comparison with this earlier period, Cowling et al. (1980) report a relatively higher proportion of vertical and conglomerate company mergers as occurring between 1954 and 1974 although horizontal mergers remained in the majority. Reference to Figures 5.7 and 5.8 again confirms the expectations of Geroski and Knight. Specifically the more substantial proportion of the trade union merger process constituted by diversifying mergers 'fits' the evidence presented by Cowling et al., who report a growing proportion of conglomerate company mergers, particularly between 1970 and 1974.

The co-incidence of evidence, as is the case between union and company merger direction, does not necessarily imply causality. However, this co-incidence, given the fulfilment of theoretical expectations, does at least suggest that the direction of company mergers might be influential in 'shaping' the trade union merger process.

**Union Density**

It has been established that union organisational stability is derived largely from membership contributions. If membership is declining, merger constitutes one of the policies whereby organisational stability can be re-established. The impact of the organisational influences is regarded as acting as a barrier to merger. In particular some of the organisational influences, for example the maintenance of craft identity, preclude the ratification of mergers
in certain directions. It is likely, however, that if organisational stability is threatened the organisational influences will be assigned relatively less importance as the maintenance of organisational stability is considered paramount. Should this be the case the likelihood of diversifying mergers will increase, for the inhibiting effect of the organisational influences upon certain directions of merger activity will be reduced.

These are the principles which support an explanation of the trends in diversification of merger activity founded upon variations in the pattern of union membership. Buchanan (1974:39) has argued that conditions of competitive recruitment influence merger activity. Conditions of competitive recruitment arise from the 'saturation effect'. Given that union density 'captures' the saturation effect and that union membership is the numerator of the union density equation, it is by comparison with union density that merger diversification is examined. During the implementation of collective bargaining, two decades, 1921-1940, were noted for diversification within the merger process. Union density fell from 37.9 per cent in 1921 to 33.4 per cent by 1940, having 'bottomed out' at 22.9 per cent during 1933. Superficial support is therefore lent to an explanation of merger diversification based upon movements in union density.

The absorption of the Workers' Union (WU) by the TGWU in 1929 illustrates the impact of the organisational instability. Having rejected merger overtures in 1922 for amalgamation with the National Amalgamated Union of Labour (NAUL), the WU had continued to lose membership at a higher rate than its competitors. 'By 1927 the union's financial straits had made amalgamation not merely a desirable objective but an urgent necessity if bankruptcy was to be avoided' (Hyman,1971:160). Furthermore, one of the organisational influences that had proved insurmountable during the merger negotiations with the NAUL, lower WU
membership contributions and more generous benefits, was resolved as 'the Workers' Union was in no position to bargain' (Hyman, 1971:161). Declining membership induced organisational instability which was exacerbated by the effects of inter-union competition promoting a relaxation in the organisational barriers to merger in order that organisational stability could be re-established albeit with a loss of independence.

During the period of the operation of institutionalised industrial relations, there is a continual rise in the diversification of merger activity between 1951 and 1983. The introduction of the Bridlington Principles in 1939 would be anticipated to heighten the effects of the variations in union density in so far as they precluded recruitment from outside the existing scope of individual union's organisation. The theoretical expectations are, however, not fulfilled. Between 1951 and 1979 union density rose from 44.6 per cent to 53.6 per cent. Organisational instability is therefore not the source of the post-World War II tendency towards diversification.

This is not to reject the influence of the level of union density outright. The central difference between the two periods in question is that the overall level of union density was considerably higher during institutionalised industrial relations. It is, therefore, likely that it is the saturation effect that influences merger diversification during the latter period. In other words, unions embark upon a policy to diversify membership through merger to either extend their bases of recruitment with the purpose of expanding membership or to spread organisational risk should the initial recruitment base be contracting.

Two other influences are likely to have exacerbated the impact of the saturation effect. Firstly, the increasing influence of the state in controlling the distribution of the national product sets the pre-requisite of large
membership size if unions are to affect this distribution. If aggregate union density is high and therefore the opportunities for 'natural' growth limited, diversifying mergers constitute the most rapid means whereby membership size may be increased. Furthermore, such mergers also involve the 'buying in' by the acquiring union of negotiating expertise covering the issues particular to the 'new' membership thereby providing the basis for further expansion. Secondly, the Bridlington Principles may restrict the pursuit of membership size in limiting diversifying recruitment opportunities. If membership is saturated, a diversifying merger represents a means whereby these restrictions can be circumvented.

Merger Shape and TUC Policy

The sectionalism inherent in trade union structure has historically been regarded by the TUC as a source of weakness. Three principal surveys have been conducted by the TUC, reports being published in 1927, 1947 and 1963, each with the theme of 'closer unity' and recommending merger as the most advantageous method whereby this may be achieved. The purpose of this section is to examine the development of policy as contained within these reports and to relate this development to the observed changes in merger shape.

At Congress in 1924 the TUC resolved that the objective of any amalgamation 'should be as far as possible organisation by industry, with every worker a member, of the appropriate organisation'. The object of such a policy was viewed solely in terms of the improvement in the bargaining position of unions. This policy is clearly consistent with the observed predominance of vertical mergers. In reporting to this resolution in 1927, however, the General Council concluded that the difficulty in defining industrial boundaries and the cross-industry organisation of craft unionism precluded the attainment of 'pure'
industrial unionism. In an attempt to facilitate the achievement of industrial organisation, the General Council promoted a series of industrial amalgamation conferences covering the metal trades, textiles (other than cotton), printing trades, post office workers, insurance workers and dyeing and bleaching. These conferences were markedly unsuccessful with the TUC reporting only the absorption of one small post office union as arising from them (1947:16). Organisational influences covering trade identity and autonomy, differences in scales of contributions and benefits, conflicting policy, differences in financial resources and the difficulty in placing officials were considered as the principal barriers to the greater success of these conferences.

A reiteration of the object of industrial unionism was the theme of the 1947 TUC Report entitled Trade Union Structure and Closer Unity. To the attainment of improved bargaining position mentioned in 1927 the TUC added that industrial unionism would facilitate the provision of more widespread research, statistical and specialist technical services'. These additional objectives were stressed in acknowledgement of the increasing complexity of bargaining.

A third formal enquiry was implemented on adoption of the following resolution at the 1962 Congress:

Congress agrees that it is time the British trade union movement adapted its structure to modern conditions. It instructs the General Council to examine and report to the 1963 Congress on the possibility of reorganising the structure of both the TUC and the British trade union movement with a view to making it better fitted to meet modern industrial conditions (TUC,1962).

The General Council Report to this resolution constituted a shift in emphasis of policy. It was stated that diversity is a characteristic of British trade unionism and always will be...We agree... with the conclusion in this respect of the 1927 Report on Structure...(We) know that many people who have spoken at this Congress time and time again
have a yearning towards a neater trade unionism in the form of industrial unionism. We believe that it would, apart from its undesirability, be impractical (TUC, 1963: 162-63).

This affirmation of pragmatism, notable for its rejection of 'even the principle of industrial unionism as a guide to structural change' (Flanders, 1970: 39), was followed by the TUC defining its role 'to a greater or lesser extent' as that of a 'marriage broker' (1968: 209) in the promotion of merger. In this role the General Council convened a series of consultative conferences, the common agenda of which was centred upon recommendations concerning merger, inter-union agreements and spheres of influence. The focus of this agenda was three-fold. Firstly, amalgamation would reduce wasteful inter-union competition. Secondly, larger unions are able to provide more comprehensive membership services, thereby enabling them to formulate and give effect to broader policy options. Thirdly, larger unions are more effective at the national level, the TUC specifically mentioning the Economic Development Committees and the Industrial Training Boards in this context.

In other words, the original TUC emphasis on industrial organisation as a means of improving bargaining strength had been replaced by a stress upon enhanced membership size, irrespective of recruitment base, in order to service the bargaining function and achieve influence at the political centre. Clearly, the pursuit of membership size per se is more readily achieved through the diversification of recruitment base. It is also noted that the change in TUC policy is concurrent with the constant tendency towards diversification in merger activity.

It would be to overstate the case, however, to argue that the shift in TUC policy is a primary determinant of the tendency towards merger diversification. The prime reason for this to be an overstatement lies in the degree of influence the TUC has had in effecting mergers. The TUC's authority over its
affiliates is limited with the consequence, as Hughes points out, that 'the TUC's initiatives in calling unions together in various sectors has been less influential than individual union initiatives' (1967:23). The question that lies unanswered, therefore, is why the change in TUC policy is consistent with the variation in the direction of merger activity while the TUC influence upon individual union's merger policy is minimal?

The composition of the TUC General Council is the source of a partial understanding to the question posed. Effectively the General Council is composed of senior officials from the larger TUC affiliates. These officials have a pronounced influence upon the merger behaviour of individual unions. In Chapter 2 it was noted that the legislative procedure whereby British trade union mergers are brought about necessitates union leadership consent. The introduction of the transfer of engagements provisions allows for greater leadership influence with respect to merger within the acquiring unions. Furthermore, as the worker involvement measure indicates, the larger unions have been more pronounced in acquiring unions during the period following World War II. Therefore, it would seem likely that TUC policy is not necessarily a determinant of the change in the shape of merger activity but is a reflection of what is already current policy within individual unions.

Accepting this to be the case allows for an elaboration of the changing purpose of union mergers from the perspective of the union leadership. During the period of the implementation of collective bargaining, the emphasis was upon merger as a means to secure a stronger bargaining position. By the outset of the operation of institutionalised industrial relations, this purpose had been complemented by a leadership desire to pursue merger as a means to improve financial resources and thereby the servicing of the bargaining function.
1963 membership size was the over-riding objective of merger in order to both improve services and influence the polity.

CONCLUSION

In rejecting existing classifications of merger direction a classification appropriate to this study was generated. As this is founded upon the notion of the extension of the recruitment base of acquiring unions, the preliminary section of this chapter was comprised a review of three measures of the merger process by acquiring unions. These were worker involvement, the mean size of acquiring unions, and acquisition proportions.

The wave pattern observed in the index of worker involvement matched expectations derived from the impact of the legislative changes enacted in 1917 and 1964. It was surprising, however, that the introduction of the transfer of engagements provisions in 1940 had no marked effect on the index. It was suggested that the discrepancy between the worker involvement and the density of merger activity measures is due to the increasing concentration of union membership and the different rates of occurrence in composite mergers during the two delineated periods.

The mean size of acquiring unions showed an increasing trend. This trend was not consistent with movements in the CR, however, indicating that the two principal merger waves were qualitatively distinct. This indication was supported by an examination of the merger acquisition proportions. Larger unions were shown to have increased their relative role in the merger process, particularly after 1964. While the role of smaller unions has diminished, they continue to absorb one another at a substantial rate, although the membership absorbed in such mergers is insignificant as a proportion of the total membership absorbed.
The evidence on merger direction showed a reduction in the geographical component of the merger process. This is anticipated as the rise of collective bargaining is regarded as promoting the national basis of organisation. It was suggested that the geographical mergers occurring during the period of institutionalised industrial relations arise from the continual formation of unions and from mergers agreed within the structure of federations.

Vertical expansion dominates the extension of recruitment base with a limited number of horizontal mergers and a varied pattern within the diversifying tendency. This pattern is consistent with the broad expectations associated with the institutionalisation thesis. The variation within the patterns meets the theoretical propositions arising from both the current work on the direction of company mergers and the recorded fluctuations in the pattern of union density.

It is unlikely that TUC amalgamation policy is a determinant of merger shape, it being more probable that it is a reflection of the policy adopted by its affiliates. This policy is notable for the changing emphasis included within it regarding the purpose towards which merger is directed. The initial focus was upon the achievement of industrial unionism to secure effectiveness within the emerging institutions of collective bargaining. As collective bargaining became more complex, the policy was directed towards the pursuit of membership size in order to maintain and improve the provision of membership services. Additionally, as labour market terms and conditions came to be increasingly influenced through the polity, so a further emphasis was placed upon membership size as a means to secure objectives through political means.

In general terms the evidence on merger direction provides further support to an explanation of merger activity based upon a differentiation of the period under study into two distinct phases: the implementation of collective
bargaining and the operation of institutionalised industrial relations. The next chapter further elaborates on this distinction by means of an analysis of the differences in merger activity between the two principal merger waves.

FOOTNOTES

1) These categories are:

i) amalgamation of regionally based unions into a single national union of the same type; ii) amalgamation of closed craft unions thus forming a multi-craft union; iii) amalgamation of more open unions within a particular sector; iv) amalgamation of craft and more open unions within a particular sector; v) amalgamation of occupational unions; vi) amalgamation of primarily industrially based unions, or occupational unions, with a general or general-sectoral union; and vii) amalgamation of primarily craft unions with a more open union.

2) To a degree the term worker involvement is a misnomer for the transfer of engagements provisions introduced as part of the Societies (Miscellaneous Provisions) Act 1940 and further relaxed under the terms of the Trade Union (Amalgamation) Act 1964, which removed the necessity of the membership of the acquiring union from voting.

3) A composite merger is one in which more than two unions are involved.

4) The CR_{10} is the concentration ratio based upon the largest ten unions. It is the proportion of total trade union membership organised by the largest ten unions. See Appendix A for details.
5) For example, consider the case of a union organising in industry A with members in occupation B. Should this union merge with a second union organising in industry C with membership in occupation D the merger would be classified as diversifying. Should the merged union then acquire a third union organising in industry C with membership in occupation D the merger will not be classified as diversifying; for the initial merger had involved the expansion of recruitment base, and the second is an internal extension of this initial expansion.

7) To avoid confusion between union and company mergers those company mergers labelled 'diversifying' are termed 'conglomerate' for the purposes of this study.
In Chapter 2 three merger waves were discerned, two of which were regarded as being 'principal' merger waves whereas the third was attributed primarily to the formation of the NUM and the IPCS. This chapter is concerned centrally with the two principal merger waves. For ease of explanation these are termed Wave I and Wave II. Wave I runs from 1918 to 1924 and Wave II from 1966 to 1983. To this point Wave I and Wave II have been regarded as being essentially similar phenomena. Table 2.1 illustrated that quantitatively the waves were comprised of both intense and dense merger activity, although clearly the duration of this heightened activity differs between waves. Both waves are immediately preceded by a change in the legislative provisions stipulating the procedure whereby merger is achieved. Similarly, they both occur during the downswing of an economic long cycle and are coincidental with waves in the formation of unions.

Throughout the preceding chapters a distinction has been maintained between the long economic cycle associated with the implementation of collective bargaining and that of the operation of institutionalised industrial relations. If this distinction is valid in terms of merger activity, it follows that the two waves will be qualitatively distinct, reflecting the changing function to which merger is directed. The purpose of this chapter is, therefore, to unearth any qualitative distinctions between Waves I and II, thereby providing a further strut to the framework provided by the regression analysis and leading the
argument to Chapters 7 and 8 in which the effect of the independent variables is considered in terms of their impact upon union organisational stability. Initially, the focus of this chapter is to compare quantitatively the two waves. This evidence is subsequently employed to draw qualitative conclusions regarding differences between Waves I and II.

**SUMMARY STATISTICS**

In Table 2.1 some summary statistics were presented to draw the distinction between wave and non-wave periods. By way of introduction to the quantitative evidence presented here the reader is referred to this table. In total there were 245 merger cases during Wave I whereas there were 237 during Wave II. Three hundred and forty-seven unions organising 1,068,302 members were absorbed in the 245 merger cases of Wave I; by comparison, 281 unions organising 1,392,947 members were absorbed during Wave II. From the outset, therefore, it is apparent that more unions were absorbed in each merger case during Wave I than in Wave II while the unions absorbed were larger during Wave II: Wave I, mean size of union absorbed equals 3079 members; Wave II, mean size of union absorbed equals 4957 members. Such aggregate figures disguise differences in structural events as is demonstrated by Table 6.1.

Wave I involved a greater degree of trade union restructuring by merger than did Wave II. For example, the intensity of composite merger activity was greater during the first wave. While during Wave II such mergers occurred almost biennially, in Wave I there were on average more than seven every year. Composite mergers most frequently involve unions organising similar memberships. Wave I would, therefore, appear to
### Table 6.1

**Composite Mergers**

<table>
<thead>
<tr>
<th></th>
<th>Number of Composite Mergers</th>
<th>Average Annual Occurrence of Composite Mergers</th>
<th>Composite Mergers as a Proportion of Merger Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAVE I</td>
<td>22</td>
<td>7.33</td>
<td>8.98%</td>
</tr>
<tr>
<td>WAVE II</td>
<td>10</td>
<td>0.56</td>
<td>4.22%</td>
</tr>
</tbody>
</table>

**Unions Formed through Merger**

<table>
<thead>
<tr>
<th></th>
<th>WAVE I</th>
<th>WAVE II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Unions Formed through Merger</td>
<td>51</td>
<td>34</td>
</tr>
<tr>
<td>Annual Average Number of Unions Formed through Merger</td>
<td>7.29</td>
<td>1.89</td>
</tr>
<tr>
<td>Number of Unions 'Dying' in Mergers Resulting in a Formation</td>
<td>204</td>
<td>110</td>
</tr>
<tr>
<td>Number of Unions 'Dying' per Formation through Merger</td>
<td>4.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Merger Formations as a Proportion of Merger Cases</td>
<td>20.8%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Membership of Unions Formed through Merger</td>
<td>2,252,482</td>
<td>3,727,419</td>
</tr>
<tr>
<td>Membership of Unions Formed through Merger as a Proportion of Total Membership Absorbed²</td>
<td>210.85%</td>
<td>267.59%</td>
</tr>
</tbody>
</table>

involve a re-grouping of such unions possibly in accommodation to the growth of industrial collective bargaining. This evidence also confirms the proposition advanced in Chapter 5 (page 154) that the discrepancy between the worker involvement and density measures of merger activity can be partially explained in terms of the more frequent occurrence of
composite mergers during Wave I. During both waves, however, composite mergers did not form a significant proportion of the total number of merger cases.

Table 6.1 also includes details concerning the number of unions formed through merger during the wave periods. Again the evidence provided indicates that Wave I involved a more extensive restructuring than its successor. In all, 51 unions were formed from a total of 204 unions at an annual rate of more than seven per year during Wave I. Additionally, more than one in five merger cases resulted in the formation of a new union. While the number of unions formed through merger, 34, and the annual rate, 1.89, were considerably lower than in Wave I, the number of unions 'dying' per formation was similar, 3.2 in Wave II and 4.0 during Wave I. The unions formed during Wave II were considerably larger (mean size equals 109,630) than during Wave I (mean size equals 44,166).

Figure 6.1 illustrates the shape of the merger waves. In terms of the unions absorbed there is very little difference between the waves, although Wave I has marginally larger horizontal and vertical dimensions than Wave II. Superficially, this runs counter to the expectations of the periodisation of merger activity which assumed that Wave II should comprise a relatively higher proportion of diversifying mergers. The equity in shape is explained, however, in terms of the formation of the general unions during Wave I. This factor is also likely to be the source of the relatively higher proportion of membership absorbed in diversifying mergers during Wave I. Both the TGWU and the NUGMW were formed from unions organising more members than the average absorbed union.
Figure 6.1: The shape of the membership waves
### Table 6.2

**A Comparison of Manual and White-Collar Absorptions During the Merger Waves**

<table>
<thead>
<tr>
<th>Unions Absorbed</th>
<th>Members Absorbed</th>
<th>%</th>
<th>Unions Absorbed</th>
<th>Members Absorbed</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Wave I</strong></td>
<td></td>
<td></td>
<td><strong>Total Wave II</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>271</td>
<td>1,035,755</td>
<td>78.1</td>
<td>76</td>
<td>32,547</td>
<td>21.9</td>
</tr>
<tr>
<td>159</td>
<td>972,028</td>
<td>56.6</td>
<td>122</td>
<td>420,919</td>
<td>43.4</td>
</tr>
</tbody>
</table>

**WAVE I**

<table>
<thead>
<tr>
<th>Year</th>
<th>Unions Absorbed</th>
<th>%</th>
<th>Members Absorbed</th>
<th>%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1918 - 1920</td>
<td>173</td>
<td>86.9</td>
<td>363,962</td>
<td>97.5</td>
<td>26</td>
</tr>
<tr>
<td>1921 - 1924</td>
<td>98</td>
<td>66.2</td>
<td>671,793</td>
<td>96.7</td>
<td>50</td>
</tr>
</tbody>
</table>

**WAVE II**

<table>
<thead>
<tr>
<th>Year</th>
<th>Unions Absorbed</th>
<th>%</th>
<th>Members Absorbed</th>
<th>%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1966 - 1968</td>
<td>32</td>
<td>84.2</td>
<td>238,006</td>
<td>86.3</td>
<td>6</td>
</tr>
<tr>
<td>1969 - 1971</td>
<td>31</td>
<td>55.4</td>
<td>203,794</td>
<td>74.2</td>
<td>25</td>
</tr>
<tr>
<td>1972 - 1974</td>
<td>34</td>
<td>48.6</td>
<td>116,239</td>
<td>59.9</td>
<td>36</td>
</tr>
<tr>
<td>1975 - 1977</td>
<td>19</td>
<td>39.6</td>
<td>15,078</td>
<td>13.3</td>
<td>29</td>
</tr>
<tr>
<td>1978 - 1980</td>
<td>18</td>
<td>46.2</td>
<td>38,837</td>
<td>24.5</td>
<td>21</td>
</tr>
<tr>
<td>1981 - 1983</td>
<td>25</td>
<td>83.3</td>
<td>360,074</td>
<td>95.7</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 6.2 shows the pattern of absorption of both unions and membership disaggregated into manual and white-collar categories. In terms of both unions and membership, Wave I consisted predominantly of manual absorptions with the manual unions absorbed being larger than their white-collar counterparts. Wave 2 exhibits a more balanced distribution although manual absorptions remained in the majority. As
during Wave I, the manual unions absorbed were larger than the white-collar unions.

Within Wave I the proportion of white-collar unions absorbed increases significantly during the second half although the membership organised by such unions remains marginal. Within Wave II the pattern of distribution between the two groups is more complex. Initially, both in terms of unions and membership absorbed, the white-collar component was in the minority, although by 1972-74 the number of white-collar unions absorbed exceeded the number of manual unions. Between 1975 and 1980, however, the majority of the merger process was white-collar whichever measure was used. This evidence confirms that of Buchanan, who reports that 'from 1963 till the early 1970s, the merger movement was primarily manual, but during the 1970s it became more of a white-collar movement' (1981:41). The final three year period of the wave shows a marked decline in white-collar merger activity concurrent with a heightening of activity among manual unions, with the result that it is the manual component that constitutes the majority by the wave's culmination.

**MERGER ACTIVITY OF THE TEN LARGEST UNIONS DURING THE WAVES**

Tables 6.3 and 6.4 illustrate the relationship between merger activity and 'natural growth' during the two wave periods. For the purposes of this discussion natural growth is regarded as the increase in aggregate membership minus that achieved through the acquisition of membership by merger. It is assumed, therefore, that the membership acquired increases or declines subsequent to the merger at the same rate as the pre-merger membership. Such an assumption is admittedly dubious.
As it is the differences in character between the two merger waves with which this section is concerned, however, this assumption is justified as it is applied to both waves thereby enabling comparisons to be drawn. During both waves unions were formed through merger with the result that they were placed in the largest ten at the culmination of the wave. Clearly, for such unions there is no membership figure available for the outset of the wave. In order for comparisons to be drawn, the membership figure provided is that of the acquiring union in the formation. For example, the AEU was formed in 1920 during the course of merger Wave I. The largest union involved in this formation, the acquiring union, was the ASE. It is, therefore, the membership of the ASE that is provided for 1917.

Wave I : 1918 - 1924

A total of 49 unions were acquired organising 596,764 members during Wave I by the ten largest unions in 1924, six of which achieved natural growth while four incurred a membership loss. Four of the ten largest unions of 1924 were formed through merger during the course of the merger wave. The three unions with the most marked decline in natural growth, the AEU/ASE, NUGMW/NUGW and WU are those that absorbed the largest number of unions. The exception is the TGVU/DWRGLU which acquired a total of 21 unions. This should be regarded as a special case, however, in so far as 14 of these 21 unions were involved in the huge composite merger of 1922 out of which emerged the TGVU. Of the three unions sustaining a marked membership decline, two were formed during the wave: the NUGMW and the AEU.
### TABLE 6.3

**MEMBERSHIP GROWTH AND MERGER ACTIVITY DURING WAVE 1 OF THE TEN LARGEST UNIONS IN 1924**

<table>
<thead>
<tr>
<th>Union Code</th>
<th>Unions Acquired</th>
<th>Membership 1917</th>
<th>Membership 1924</th>
<th>Membership Growth/Decline</th>
<th>Natural Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>0</td>
<td>0</td>
<td>401,579</td>
<td>367,473</td>
<td>-34,106</td>
</tr>
<tr>
<td>3873</td>
<td>21</td>
<td>228,210</td>
<td>80,000*</td>
<td>356,711</td>
<td>+276,711</td>
</tr>
<tr>
<td>4113</td>
<td>11</td>
<td>190,854</td>
<td>256,373**</td>
<td>316,372</td>
<td>+59,999</td>
</tr>
<tr>
<td>3018</td>
<td>9</td>
<td>132,854</td>
<td>249,210**</td>
<td>211,643</td>
<td>-37,567</td>
</tr>
<tr>
<td>122</td>
<td>0</td>
<td>0</td>
<td>145,527</td>
<td>165,641</td>
<td>+20,114</td>
</tr>
<tr>
<td>115</td>
<td>0</td>
<td>0</td>
<td>111,119</td>
<td>160,040</td>
<td>+48,921</td>
</tr>
<tr>
<td>171</td>
<td>1</td>
<td>6,659</td>
<td>168,293</td>
<td>148,469</td>
<td>-19,824</td>
</tr>
<tr>
<td>1266</td>
<td>5</td>
<td>17,781</td>
<td>230,000</td>
<td>137,000</td>
<td>-93,000</td>
</tr>
<tr>
<td>2221</td>
<td>0</td>
<td>0</td>
<td>97,351</td>
<td>112,030</td>
<td>+14,679</td>
</tr>
<tr>
<td>3005</td>
<td>2</td>
<td>20,406</td>
<td>83,461***</td>
<td>102,012</td>
<td>+18,551</td>
</tr>
</tbody>
</table>

**Notes:**
- 1989: National Union of Railwaymen (NUR)
- 3873: Transport and General Workers' Union (TGWU)
- 4113: National Union of General and Municipal Workers' (NUGMV)
- 3018: Amalgamated Engineering Union (AEU)
- 122: Yorkshire Miners (YM)
- 115: Durham Miners (DM)
- 171: South Wales Miners (SWM)
- 1266: Workers' Union (WU)
- 2221: National Union of Teachers (NUT)
- 3005: Amalgamated Society of Woodworkers (ASV)

* where 1989: National Union of Railwaymen (NUR)
*\* where 3873: Transport and General Workers' Union (TGWU)
*\*\* where 4113: National Union of General and Municipal Workers' (NUGMV)
* where 3018: Amalgamated Engineering Union (AEU)
* where 122: Yorkshire Miners (YM)
* where 115: Durham Miners (DM)
* where 171: South Wales Miners (SWM)
* where 1266: Workers' Union (WU)
* where 2221: National Union of Teachers (NUT)
* where 3005: Amalgamated Society of Woodworkers (ASV)

*\*: union at onset of wave was 843: Dock, Wharf Riverside and General Labourers' Union (DWRGLU)
*\*: union at onset of wave was 1256: National Union of General Workers (NUGW)
*\*: union at onset of wave was 231: Amalgamated Society of Engineers (ASE)
*\*: union at onset of wave was 1787: Amalgamated Society of Carpenters and Joiners (ASCJ)
The constituent unions of the NUGMW - the NUGW, the Municipal Employees' Association (MEA) and the National Amalgamated Union of Labour (NAUL) - each acquired a number of smaller unions during the wave prior to the NUGMW formation. Furthermore, they all had negotiated with other larger general unions with the intention of amalgamating. These negotiations were unsuccessful due to an inability to overcome difficulties arising from the incompatibility of organisational influences. It was the intention of the ASE that additional unions be involved in the merger that produced the AEU. As S. Webb (1921:52) reports, however, 'nine other engineering societies, having among them 100,000 members, also agreed to come in, but failed to comply with the requirements of the law'. The most notable of these were the United Pattern Makers' Association and the Electrical Trades Union.

While the WU acquired five small unions during the wave, its attempts to merge with its larger general counterparts foundered on the barriers constituted by the organisational influences. In the face of continuing membership decline, the WU merged in 1929 with the TGWU. The point here is that those unions sustaining the heaviest membership decline were not only actively involved in acquiring unions but also pursued further merger opportunities albeit unsuccessfully.

Three unions - YM, DM and NUT - achieved an increase in natural growth and were not involved in the merger process. Both the YM and DM were affiliated to the Miners' Federation of Great Britain and adopted a policy inclined towards industrial unionism. Such a policy limited the 'merger search parameters' of these unions whose only merger opportunities were with unions recruiting the various mining crafts. These unions resisted merger on the grounds of retention of craft
autonomy. The NUT, the third union recording an increase in natural growth, organised in an expanding sector of trade union membership which conferred organisational stability without the necessity of growth through merger. Furthermore, in 1913 the NUT, which Clegg suggests had interests 'akin to those of the craft unions' (1985:6), had successfully acted in conjunction with other teachers' associations in lobbying the Board of Education for increased staffing and salaries. In other words, loose working arrangements had been established with other teaching associations which, given the opportunities for membership expansion and hence organisational stability, reduced external pressure towards merger. Moreover, relations with the National Union of Women Teachers (NUWT) remained strained after the NUWT had broken away from the NUT in 1909 over the issue of equal pay for men and women.

Three unions incurred relatively small declines in natural growth yet had limited merger involvement, namely: the NUR, SWM and ASV. Both the NUR and the SWM were industrially inclined thereby limiting their scope for merger activity. The NUR, which had been formed through merger in 1913, had subsequently made persistent merger overtures to both the Associated Society of Locomotive Engineers and Firemen (ASLEF) and the Railway Clerks Association (RCA). These were rejected on the grounds of retention of craft autonomy and differences in bargaining objectives. Furthermore, the dominant position in terms of numerical strength of the NUR allowed it to wield both political and bargaining 'muscle' within a framework of organisational stability. The SWM, strongly influenced by the syndicalist tradition, had been actively acquiring smaller unions organising on the South Wales coalfield before the onset of the merger wave. The union absorbed during the wave was a craft union organising
colliery enginemen, stokers and craftsmen, suggesting that the strength of the syndicalist tradition in South Wales was sufficient to overcome the desire to retain craft autonomy. The ASW, organising in a sector particularly hard hit by the early effects of the depression, was relatively inactive during the merger wave. However, through merger it had retained its predominant numerical position in relation to its competitor unions. The centralised constitution of the ASW, which had been laid down during the nineteenth century, enabled the union’s leadership to influence strongly the policy of the union side of the National Federation of Building Trades Operatives. Inter-craft hostilities among the affiliates of the Federation precluded more widespread merger activity.

Wave II: 1966 - 1983

Eighty-eight unions organising 752,778 members were acquired by the largest ten unions of 1983, two of which recorded a membership loss while four were formed during the merger wave. The absorbed unions constituted 31.3 per cent of the total number of unions and organised 54.0 per cent of the total membership absorbed during Wave II. By comparison, the ten largest unions of 1924 acquired 14.1 per cent of unions and 55.9 per cent of the total membership absorbed during Wave I. Several distinct patterns are discernable within the merger activity of the second wave.

The two unions with the most marked natural growth, NUPE and NALGO, each acquired a single small union. Again this would lend support to the notion that unions organising in sectors of employment expansion allowing for natural growth do not frequently merge. Contrary to this
<table>
<thead>
<tr>
<th>Union Code</th>
<th>Unions Acquired</th>
<th>Membership Acquired</th>
<th>Membership 1965</th>
<th>Membership 1983</th>
<th>Growth/Decline</th>
<th>Natural Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>3873</td>
<td>21</td>
<td>245,161</td>
<td>1,382,509</td>
<td>1,547,443</td>
<td>+164,934</td>
<td>-80,227</td>
</tr>
<tr>
<td>5525</td>
<td>6</td>
<td>96,056</td>
<td>1,021,026**</td>
<td>1,005,087</td>
<td>-18,939</td>
<td>-114,995</td>
</tr>
<tr>
<td>4113</td>
<td>13</td>
<td>131,047</td>
<td>780.424</td>
<td>875,187</td>
<td>+94,763</td>
<td>-36,284</td>
</tr>
<tr>
<td>2500</td>
<td>1</td>
<td>861</td>
<td>348,528</td>
<td>780,037</td>
<td>+431,509</td>
<td>+430,468</td>
</tr>
<tr>
<td>1362</td>
<td>1</td>
<td>800</td>
<td>255,096</td>
<td>689,046</td>
<td>+433,950</td>
<td>+433,150</td>
</tr>
<tr>
<td>5192</td>
<td>1</td>
<td>8693</td>
<td>341,119</td>
<td>403,446</td>
<td>+62,327</td>
<td>+53,544</td>
</tr>
<tr>
<td>5522</td>
<td>36</td>
<td>106,165</td>
<td>41,894**</td>
<td>390,000</td>
<td>+348,106</td>
<td>+241,941</td>
</tr>
<tr>
<td>5527</td>
<td>6</td>
<td>73,552</td>
<td>282,660**</td>
<td>365,000</td>
<td>+82,340</td>
<td>+8,788</td>
</tr>
<tr>
<td>3005</td>
<td>3</td>
<td>117,508</td>
<td>174,263**</td>
<td>260,000</td>
<td>+85,737</td>
<td>-31,771</td>
</tr>
<tr>
<td>5111</td>
<td>1</td>
<td>370</td>
<td>571,857</td>
<td>208,051</td>
<td>-363,806</td>
<td>-364,176</td>
</tr>
</tbody>
</table>

where 3873: Transport and General Workers' Union (TGWU)
5525: Amalgamated Union of Engineering Workers (AUEW)
4113: General and Municipal Workers' Union (GMWU)
2500: National Association of Local Government Officers (NALGO)
1362: National Union of Public Employees (NUPE)
5192: Union of Shop, Distributive and Allied Workers (USDAW)
5522: Association of Scientific, Technical and Managerial Staffs (ASTMS)
5527: Electrical, Electronic, Telecommunications and Plumbers' Union (EETPU)
3005: Union of Construction, Allied Trades and Technicians (UCATT)
5111: National Union of Mineworkers (NUM)

**: union at onset of wave was 3018: Amalgamated Engineering Union (AEU)
***: union at onset of wave was 1862: Association of Supervisory Staffs, Executives and Technicians (ASSET)
**: union at onset of wave was 315: Electrical Trades Union (ETU)
**: union at onset of wave was 3005: Amalgamated Society of Woodworkers (ASW)
generalisation, however, is the behaviour of ASTMS which achieved a significant increase in membership by both natural growth and merger. Several explanations may be advanced for this divergence. Firstly, ASTMS organised in expanding areas of employment but was in competition for recruitment with other unions; for example with TASS and APEX in engineering, with BIFU in banking and insurance and more generally with the white-collar sections formed by the longer established ex-craft and general unions. In order to improve its position vis-a-vis these competitors, an expansionist policy may have been pursued to increase size and status thereby allowing for greater influence upon 'national salary and employment policies'. Secondly, it was noted earlier that merger waves coincide with formation waves and that the formation wave concurrent with merger Wave II was likely to consist predominantly of white-collar union formations. Such unions constitute competition for membership. ASTMS may, therefore, have absorbed some of these newly formed unions in order to reduce recruitment competition. A third explanation rests on the earlier findings referring to the trade union influence on the polity. Unlike several of its white-collar competitors, ASTMS was affiliated to both the TUC and Labour Party. It has been earlier acknowledged that membership size is a primary determinant of influence within these bodies. Support for this explanation is derived from the document, distributed to the memberships of the founding unions of ASTMS in support of amalgamation, in which it is stated that ASTMS would be a union capable of wielding immense influence, both inside the TUC where pressure could quite legitimately then be exerted to secure more adequate representation, and with employing organisations, Ministries and other policy-forming institutions. (AScW and ASSET, 1967)
These explanations are not mutually exclusive; indeed, they may each constitute an element of a single overall strategy.

Four unions sustained a decline in natural growth, the AUEW, UCATT, TGWU and NUM. Three of these are older established unions with a principal focus of organisation in sectors of declining employment. The AUEW and UCATT were formed during the wave by merging with unions with which they were in competition for membership. During merger Wave I, the mergers ratified during Wave II were the subject of unsuccessful negotiations. These broke down on the failure to overcome the barrier of the organisational influences. These two mergers are also notable in as far as the acquiring unions - the AEU and ASV - were both formed during the first merger wave. Furthermore, the acquiring unions of the mergers during merger Wave I - the ASE and the Amalgamated Carpenters, Cabinet Makers and Joiners - were both the result of the 'new model' wave of amalgamations of the mid-nineteenth century. In other words, the major merger activity of these unions and their forebears has been cyclical in occurrence.

While both the AUEW and UCATT are oriented towards craft organisation, the NUM is industrially inclined. Its membership has declined in tandem with employment in the mining industry. The single union absorbed by the NUM, the Yorkshire Winding Enginemen's Association, was the final regional section of the National Union of Colliery Winding Enginemen to be re-absorbed by the NUM after it had broken away in 1946 in an attempt to retain craft autonomy. The industrial organisation of the NUM implies that a loss of membership, if consistent with a decline in mining employment, does not adversely influence the union's direct bargaining power. Furthermore, the trade
group structure of the TUC effectively guarantees NUM representation on
the General Council. The pressure towards merger for a union such as the
NUM is, therefore, likely to arise from financial instability.

The final union of the ten largest in 1983 formed during the second
merger wave was the EETPU. It achieved an increase in natural growth in
addition to being involved in a modest amount of merger activity. The
unions absorbed were, however, small. The five unions absorbed in the
formation in addition to the Plumbing Trades Union accounted for in
total 22,402 members. Of these, four were white-collar unions absorbed
as part of a policy to bolster the Electrical and Engineering Staff
Association (EESA), constituted as a separate white-collar section
within the union. This section, formed as a result of 'feelings of
external vulnerability from the enormous effects of electronic and
 technological change' (Eaton and Gill, 1983:140), represented an attempt
to diversify membership and to establish a counter to ASTMS's
expansionist recruitment drives.

USDAW achieved moderate natural growth and, as a consequence, only
absorbed one union which is allowed considerable autonomy as a Scottish
Bakers' section. The limited merger activity of USDAW does, however, run
contrary to theoretical expectations. Hughes comments that

in the trades in which it (USDAW) is primarily con-
cerned it faces high job turnover and consequent member-
ship wastage. In later years it has needed to recruit
about 100,000 new members a year to maintain its static
total membership (1967:11).

It would, therefore, be anticipated that USDAW should be actively
involved in the merger process in an attempt to consolidate its
recruitment base thereby conferring organisational stability, an
expectation supported by the heightened recruitment interests of the TGVU and GNVU in USDAW's area of recruitment.

The two principal general unions were the most active throughout the second merger wave in terms of membership acquired. The membership acquired figure for the GNVU is distorted, however, by the absorption of the Boilermakers organising 114,568 members, constituting 87.4 per cent of the total membership acquired. Excluding this acquisition the average size of union absorbed by the GNVU was 1,373 members. By comparison the similar figure for the TGVU was 11,674. These figures lend support to the contention that the TGVU's trade group structure allows for the assimilation of larger unions. The regional structure of the GNVU precludes senior officials of acquired unions from being awarded post-merger positions of influence. The regional structure of USDAW may also offer a partial explanation of that union's relative merger inactivity.

Emergent Themes

During both merger waves four of the largest unions at their culmination were formed. For each wave two of these unions formed by merger rose into the largest ten whereas at the outset of the wave the acquiring union was not so placed. Three of the unions formed during Wave I were the result of composite mergers whereas only one union was produced by composite merger during the second. This confirms the 'summary statistics' results on composite mergers and lends further support to the notion that Wave I involved a more fundamental restructuring than did its later counterpart.
The achievement of pronounced natural growth appears to limit a union's involvement in merger activity. This finding is applicable to both waves with the single exception of ASTMS during the second wave. It is suggested, therefore, that organisational stability achieved through natural growth is the dominant preference for a 'viable growth policy' supplemented by merger activity during periods of membership stagnation or decline.

During both waves there was a minimal involvement in merger activity of the industrial unions. The activity that did occur was restricted to the absorption of smaller craft unions organising in the same industry, reflecting the limited merger search parameters of such unions. This tendency occurred regardless of the recorded pattern in natural growth, suggesting that direct bargaining strength is perceived as a function of the density of unionisation.

Stronger traditions of craft identity and autonomy were prevalent in Wave I by comparison with Wave II. This is evidenced within two tendencies. Firstly, the resistance of certain unions to particular amalgamations during Wave I had been broken down by Wave II when mergers initially proposed during Wave I were consummated. Secondly, merger Wave II witnessed the relaxation of recruitment boundaries of craft unions particularly towards white-collar unionism. These tendencies are consistent with the historical decline of the 'pure' craft form of union organisation. Of particular note is the cyclical pattern of restructuring mergers among dominant craft unions.

Those unions making the most numerous acquisitions during Wave I were those involved in composite mergers, the outcome of which was a newly constituted union. The overwhelming majority of the unions
acquired were involved in these formations. That is, the majority of absorptions of the largest ten unions were directed towards restructuring. By contrast, the unions most actively involved in absorbing other unions in Wave II absorbed them into an existing structure. This observation also applies in principle to ASTNS, formed in 1968, the constituent unions of which did not absorb any unions prior to the formation. Clearly, therefore, restructuring through merger was not the dominant theme of Wave II. From the evidence so far presented it would appear that the majority of Wave II acquisitions were directed towards the maintenance or, in the case of ASTNS, improvement in numerical strength.

**FORMATION DATES**

Figures 6.2 and 6.3 show the formation dates of unions 'dying' during the two merger waves by five year periods and those formed during the waves themselves. For the purposes of this section deaths include both those unions absorbed and those which cease to exist as the result of a merger in which a new union is formed. For instance, in 1920 the AEU was formed. To this point the ASE has been regarded as the acquiring union into which nine other unions were absorbed and hence 'died'. In this section the number of deaths is regarded as ten, nine absorbed unions plus the ASE, on the understanding that the ASE ceased to function as an independent union but only as a part, albeit a significant part, of the newly constituted AEU. Contrary to what has gone before, formations are regarded as including those 'from scratch' and those by merger. Therefore, the formation date of the AEU is regarded as being 1920.
Figure 6.2. Formation dates of unions 'dying' during Mercer Wave I

Missing values: 7
Figure 6.3

Formation dates of unions 'dying' during merger wave II

Missing values = 8
Wave I

Figure 6.2 illustrates that the overall pattern of dying unions during Wave I is an inverse relationship between number and age. The overwhelming majority of the unions dying were 'young' with those unions formed during the wave being the most numerous single category. There is a marked 'kink' in the pattern covering the years 1888-1892 suggesting that the labourers' unions formed during the period of 'new unionism' were heavily involved in the merger activity of Wave I.

Sixty-three unions, constituting 16.4 per cent of the total deaths by merger, were both formed and died during the merger wave. These 63 unions represent 12.4 per cent of the total of 510 unions that were formed from scratch between 1918 and 1924. Forty-five of these 63 unions died in mergers after 1920 when aggregate trade union membership fell away with the onset of the post-war recession. Of the 510 unions formed during the merger wave 390, 76.5 per cent, were constituted during or before 1920. This evidence would suggest that the early phase of the merger wave was marked by organisational initiatives which dissipated in the face of aggregate membership decline. Some of these initiatives appear to have then been protected through merger as organisational stability was threatened by membership loss.

An examination of how these 63 unions died further illustrates the nature of this process. Twenty-five, 39.7 per cent, were absorbed by other unions formed during the wave in non-composite mergers. Thirteen, 20.6 per cent, died in composite mergers consisting solely of unions formed during the wave whereas four, 6.3 per cent, died in composite mergers with unions constituted prior to the onset of the wave. The remaining 21, 33.3 per cent, were absorbed by longer established unions.
in non-composite mergers. In other words, of the 63 unions which were both formed and died during the course of the merger wave, 38 merged among themselves. Such an action would both maintain organisational stability and allow for greater influence vis-à-vis competitor unions and employers. That these unions merged among themselves is also indicative of a similarity in membership of the newly formed unions which enables merger to be so rapidly achieved.

Reference to Figure 2.6 shows that the formation rate declined between 1897 and 1905, bottomed out and then rose again substantially after 1916. This pattern is broadly reproduced in Figure 6.2 in so far as the pattern of unions dying during Wave I bottoms out for the period corresponding with that in Figure 2.6. Two questions are therefore posed. Firstly, why is it that these unions did not merge earlier? Secondly, what were the influences impelling the formation rate during this period? Other than to note that the dissolution rate (see Figure 2.7) declined after 1904 and that aggregate trade union membership, with the exception of small decreases during 1908 and 1909, showed a consistent tendency towards increase after 1904 indicating organisational stability, these questions are left unanswered at this point to be dealt with in the section on centralisation below.

Wave II

The pattern of union deaths in Wave II illustrated in Figure 6.3 is divergent from that of its predecessor in so far as the periods of formation from which the deaths occur are more widespread. The pattern is consistent with the waves in the formation rate shown in Figure 2.6, the three periods of peak formation activity co-inciding with the peaks
in formation dates of unions dying. As in the case of Wave I a large number of unions formed during Wave II died through merger before the culmination of the wave.

Fifty-three unions were both formed and died during the course of the wave. These unions represented 17.2 per cent of the total deaths through merger, a similar proportion to that of Wave I. Two hundred and twenty-six unions were formed from scratch between 1966 and 1979, the unions dying constituting 23.5 per cent of this number which is almost twice as great as the corresponding figure for Wave I. This evidence supports Lerner's (1961:194-95) contention that both TUC and employers' associations' hostility towards the newly formed union has risen throughout the period characterised as the operation of institutionalised industrial relations - a hostility which led such unions to find sanctuary within their longer established counterparts. Eleven of these 53 unions (20.8 per cent) died after the downturn in aggregate trade union membership during 1980, corroborating the idea that organisational stability is paramount yet precarious for such unions.

The manner in which these newly formed unions died is, however, quite distinct from that of Wave I. Twenty-seven, 50.9 per cent, were absorbed by seven of the major unions of the period. These were ASTMS which acquired 8, AUEW 2, TGWU 4, EETPU 3, APEX 4, GWU 1 and BIFU 5. Seven died in composite mergers with other unions formed during the wave and a further seven died in composite mergers with longer established unions. The remaining twelve were absorbed in non-composite mergers by longer established unions other than those mentioned above. In other words, the predominant pattern during Wave II is that of the absorption
of newly formed unions by longer established unions whereas during Wave I it was consolidation with their newly formed counterparts, this being achieved through both absorption and composite merger.

In the earlier section covering the absorptions of the ten largest unions of 1983 during Wave II, it was noted that ASTMS was an 'exceptional case' in so far as it achieved a substantial membership increase both by natural growth and merger. That ASTMS absorbed eight of the newly formed unions is indicative of a policy to acquire such unions as a means both to reduce competition for recruitment and to expand recruitment interests in sectors of expanding employment. As BIFU and APEX, among the most immediate competitors to ASTMS, in combination absorbed a further nine of the newly formed unions, it is apparent that inter-union competition was also instrumental in these absorption patterns.

It is accepted for this section that formations occur both 'from scratch' and through merger. In Table 6.1 it was noted that 51 unions were formed through merger during Wave I. Twelve of these unions died during the course of Wave II of which eleven were originally craft oriented unions pointing towards the cyclical pattern of merger activity among unions of this form.

**Developing The Themes**

In Wave I the majority of newly formed unions that merged did so among themselves in both absorptions and composite mergers. Predominantly, these mergers occurred after the downturn in aggregate trade union membership. As such unions are organisationally unstable, these mergers are regarded as being directed towards the achievement of
organisational stability. Organisational stability is also dependent upon bargaining status in relation to employers. Newly formed unions, by definition, have not secured such a status. Therefore, in addition to being directed towards organisational stability in terms of membership retention, these mergers may be considered as a means whereby bargaining status is achieved. As in the case of merger activity among the larger unions, a significant proportion of amalgamations among the newly formed unions were directed towards re-grouping.

A divergent pattern of merger activity is prevalent for Wave II. While newly formed unions were heavily involved in the merger process their involvement was primarily in terms of their absorption into the structures of larger unions. This tendency was pronounced in areas in which competitive recruitment was particularly fierce. This confirms the findings derived from the evidence on the larger unions among which re-grouping was limited and primarily achieved through absorption. In Wave I both large and small unions were involved in the same manner of merger activity whereas during the second their merger activity was with each other.

**CENTRALISATION**

Both waves are noted for a change in the CR_{io}: Wave I 46.2 per cent to 47.1 per cent; Wave II 55.7 per cent to 58.5 per cent. Such changes are indicative of a tendency towards centralisation within trade unionism. Apart from differences in the degree of centralisation, indicated by changes in the CR_{io}, differences between the waves in terms of the type of merger activity pursued suggest that the nature of the tendency towards centralisation differs. Wave I is noted for the
pronounced restructuring of union organisation, the high intensity of
unions formed through merger and of composite mergers reflecting the re-
grouping of unions into larger entities. During the wave itself,
however, the largest unions which incurred the higher membership decline
were the most actively involved in merger activity, suggesting that
unions were absorbed to arrest the drift towards organisational
instability. By comparison with its predecessor there were relatively
few unions formed by merger and composite mergers during Wave II. In
other words, the increased concentration of union membership during Wave
II was achieved primarily within the structure of trade unionism
existing prior to the commencement of the wave.

Centralisation 1918 - 1924.

Federations. G.D.H.Cole (1924:77) describes the formation of the
'great federations' of the 1880s and 1890s as the third of the 'closer
unity movements in the history of trade unionism'. This movement
continued in momentum throughout the first two decades of the twentieth
century. By 1903 there were 90 federations in existence, a number that
had risen to 182 by 1917. As is shown in Figure 6.4, however, the onset
of the first merger wave saw a sharp decline in the number of
federations, a decline which has not been reversed to the present day.

The federal form of union organisation and its purpose is regarded
by the TUC as

a loose form of industrial unionism, and is an example
of where the industrial, craft or general workers' unions
who are concerned in any industry, may get together to
pursue jointly the problems affecting the industry with
which they are all concerned.... As a medium between loose
forms of joint working arrangements and the complete amal-
gamation of associated bodies, the federation is a half way
house which usually does a tremendous amount of good work
Figure 6.4

The number of federations of unions
in presenting a common point of view in negotiations with employers and also in assisting to avoid inter-union competition and overlapping (TUC, 1947: quoted in Roberts, 1956:397).

In other words, the tendency towards the federal form of organisation was consistent, in so far as it was directed towards industrial organisation, with the pronounced vertical form of merger activity between 1893 and 1920.

The limitations of the federal form of union organisation have been expressed by Allen:

like cartels, they (federations] suffered from an inherent instability and were threatened with disintegration whenever matters arose on which uniform policy could not be achieved without a disproportionate sacrifice by some unions in the federation; or whenever a union thought it could benefit from unilateral action. The autonomy of the unions in the federations prevented effective co-ordinated industrial action (1957:41).

The initial question that needs to be answered is, why were unions forced to settle for this 'half way house' of 'loose, inherently unstable' forms of organisation rather than enter into full amalgamation before the first merger wave? If it is accepted, as Sidney Webb asserts, that 'the path to amalgamation' is 'made easy' by the union of societies in a federation (1921:55), why is it that the first merger wave did not occur earlier?

Legislative change. Initially, the procedure for merger was laid down under Section 12 of the Trade Union (Amendment) Act 1876. This Act required the consent of a minimum of two-thirds of the membership of each union involved. As union membership increased, these terms came to constitute a formidable obstacle to the completion of a merger. S.Webb (1921:59) referred to the 'impractical requirements of the law',
G. D. H. Cole (1924: 79) to the 'absurdity' of the 'law as it stood till 1917', while Elias (1973: 127) speculates that it was 'based on the philosophy of divide and rule'. It may be argued, therefore, that the legislative provisions operative until 1917, when coincidentally the number of federations peaked, precluded merger and thereby stimulated federation as the best, in the sense of closer unity, that could be achieved in the circumstances.

This argument can be regarded only as a partial explanation of the preference for federation over amalgamation. Two examples illustrate this partiality. Firstly, in spite of the demands of the 1876 provisions, the NUR was formed through amalgamation during 1913. At the time the Amalgamated Society of Railway Servants, the largest of the three unions involved, organised 132,002 members. To argue that the larger unions were prohibited from merging is, therefore, to overstate the case. Secondly, in order to circumvent the obstacle constituted by the 1876 provisions, the Associated Iron and Steel Workers, the British Steel Smelters Amalgamated Association and the National Steel Workers' Association under the direction of John Hodge, a 'champion of amalgamation' (Clegg, 1985: 108), formed two bodies: the Iron and Steel Trades Confederation, which took over the negotiations function and other trade union duties, and the British, Iron, Steel and Kindred Trades Association (BISAKTA), a new trade union which joined the Confederation. Members of the three original unions were encouraged to transfer to BISAKTA, into which new members were also recruited. Gradually the membership of the three original unions transferred their allegiance to BISAKTA, thereby eliminating the need to invoke the legislative provisions. Buchanan (1974: 42) reports that 'in many cases'
a similar procedure was followed. The central point is that while the
legislation undoubtedly limited merger activity, it did not preclude
mergers among the larger unions; nor were its terms immutable as the
BISAKTA case demonstrates.

Bargaining. A further point made by the TUC is that a federal
structure allows for the combination of 'industrial, craft or general
workers' unions... in any industry'. In other words, federation allows
for combination without prejudicing principles of organisation and
avoids the raising of the 'other organisational influences.' The
'looseness' of the federal form of organisation, while disadvantageous in
so far as it does not allow for authority to emanate from a single body,
does allow affiliates to retain autonomy and hence retention of their
organisational principles. Accepting this to be the case, it must follow
that these organisational influences dissipated during the course of the
first merger wave across a wide range of federations and their
affiliates.

The movement away from local bargaining towards that conducted at
the national level began during the later years of the nineteenth
century. This tendency was reversed during the early stages of World War
I with the introduction of plant level negotiations on dilution, the
spread of piecework and the negotiations over the shortages of skilled
labour. The first counter to this movement towards the plant was the
Munitions of War Act 1915 which 'enabled the government to refer
disputes to binding arbitration' (Clegg, 1985: 127). The 'government
reconstructionists', supported by both trade union leaders and
employers' representatives, vigorously promoted the consolidation of
existing national collective bargaining arrangements and their extension into further industries. As a result, national collective bargaining was established in the shipbuilding, wool, engineering, chemicals, and road transport industries. Immediately post-war, such bargaining was reinforced through arrangements arising from the recommendations of the Whitley Committee mostly in the form of Joint Industrial Councils (JICs). Charles (1973:124-25) reports that 'there were twenty [JICs] formed in 1918, thirty-two in 1919, sixteen in 1920 and six in 1921 - seventy-four in all'.

The implementation of widespread collective bargaining had the effect of requiring trade union leaders to 'deliver the goods'. This requirement was two-fold. On the one hand they were required to ensure the maintenance or improvement of their members' living standards and on the other were required to act, in conjunction with employers, in ensuring that the terms of a ratified agreement were enforced. Both of these requirements necessitated a more centralised form of trade union government.

Reference to the formation of the TGWU lends support to this explanation of merger causality. The National Transport Workers' Federation (NTWF) was formed in 1910 on the initiative of the Dock, Wharf, Riverside and General Labourers' Union (DWRGLU). Initially, 36 unions were affiliated, organising primarily 'seamen, dockers, carters, and others engaged in waterside transport work' (Allen, 1957:41). Formally it was an extension of the General Labourers' National Council which had been established in 1908 to ensure the mutual recognition of membership cards from affiliated unions, the avoidance of demarcation disputes and the promotion of amalgamation. The NTWF 'simplified and
improved negotiations in some of the industries [it] covered by raising industrial issues to a national level and by concluding agreements with the national representatives of employers' (Allen, 1957: 41).

Immediately following its inception the NTWF became the rallying point throughout the waterfront strikes of 1911 which culminated in an 'extraordinary series of victories' for the unions (Clegg, 1985: 72). The NTWF successfully co-ordinated the actions of its affiliated unions through issuing federation cards and forming district committees. In May 1912 a series of disputes arose concerning the interpretation and implementation of the agreement concluded during the previous year. Centred on London the dispute was supported by the Executive of the NTWF who called a national strike in sympathy. The response was poor; the Executives of some affiliates refused to heed the call of the NTWF and the dispute was lost in consequence.

The failure of the 1912 dispute had at its root the lack of a centralised authority within the affiliates of the NTWF. In acknowledgement of this an amalgamation scheme was drawn up. This was rejected, however, as it made no provision for the separate handling of the trade affairs of the different sections of membership. Specifically,

there had developed in certain of the ports... a system of registration for the purpose of restricting the number of work-people who could seek work on the docks. The provision in the amalgamation scheme... would have rendered that system ineffective, and, as a consequence, the Liverpool Union (the National Union of Dock, Riverside and General Workers) and certain other unions refused even to take part in the discussions (TGWU, n.d.: 6).

During 1915 Ernest Bevin visited America as a fraternal delegate for the TUC. The American Federation of Labor, at the time dominated by craft unionism, was organised into a series of 'trade departments' which
allowed for the protection of trade autonomy. This principle of organisation, imported by Bevin, was to form the foundation to the TGWU (Allen, 1957: 43).

The spark which led to the successful amalgamation initiative was the 1920 Report of the Shaw Inquiry which recommended the establishment of national collective bargaining machinery for the ports, a development viewed by Bevin, among others, as necessitating a single organisation offering a uniform direction to union policy. The two principal dockers' unions convened an amalgamation conference during August 1920 at which fifteen unions were represented. A further six were invited to participate at subsequent negotiations. Based on achieving commonality of contributions and benefits after the establishment of a united executive and the implementation of the innovatory trade group system agreement was reached, the TGWU formally came into existence on 1 January 1922.

The resultant form of government, described by Undy et al. (1981: 59) as 'centralised and concentrated', remains 'much the same as the original rulebook designed for the amalgamation' (Clegg, 1979: 194). The primary changes were those introduced to accommodate additional trade groups. Given the failure of earlier merger attempts, it is apparent that the trade group form of organisation was instrumental in facilitating the amalgamation success of 1922 through allowing the protection of trade autonomy and the appointment of pre-merger general secretaries to trade group secretaryships.

The events preceding the TGWU merger in terms of the 'easing' effect of federation affiliation and governmental innovation is not universally replicated. For example, the Executive of the ASE seceded
from the Federation of Engineering and Shipbuilding Trades on the understanding that no amalgamation scheme handled by the Federation has a chance of success... The spirit of sectionalism is there too strongly entrenched' (ASE Executive, quoted in Jefferys, 1945: 192). Having seceded from the Federation the ASE successfully concluded a merger to form the AEU in 1920 based upon a 'constitution whose main lines had been established before the end of the nineteenth century' (Clegg, 1979: 195). Furthermore, the amalgamation resulting in the formation of the NUGW 'did not come through the new federation [within which] there were far too many jealousies and other difficulties to overcome' (Clegg, 1954: 9). In addition, 'the arrangements for the government of the NUGW were taken over bodily from the NUGW' (Clegg, 1954: 21) which were 'drawn up within the old Gasworkers' union before 1914' (Clegg, 1979: 195).

It would appear, therefore, that the consolidation of national collective bargaining was a primary influence upon the centralisation of trade unionism during Wave I. Among the labourers' unions national collective bargaining raised particular problems of organisation to which merger was an apposite remedy. The majority of such unions, while claiming a national recruitment base, were centered upon specific localities from which a substantial proportion of their membership was recruited. Geographical divisions were exposed by the implementation of national bargaining. Merger was, therefore, a means whereby the impact of such divisions could be reduced, hence enhancing bargaining power. Similarly, mergers among smaller unions are likely to have been agreed as a means to achieve recognition on the JICs.

A corollary to the implementation of collective bargaining was the desire on behalf of union leaderships to influence government. Such a
desire became particularly pronounced during World War I. The case of the ASE illustrates why merger was desirable as a means to achieve this influence. Throughout the war the ASE unsuccessfully claimed the right to negotiate separately with government on the grounds that its membership equalled that of the other engineering unions in combination. This claim arose because the smaller societies outvoted the ASE in negotiations with government to the detriment of the ASE's membership since 'the government's man-power and dilution proposals did not affect the patternmaker, boilermaker or blacksmith as much as it did the fitter and turner membership of the ASE' (Jefferys, 1945:191). Merger for the ASE was therefore a means whereby such craft distinctions could be transformed into an internal union issue allowing for the generation of a unified bargaining stance with external bodies.


Legislative change. A merger can only be consummated by means of a de jure change. The Trade Union (Amalgamation) Act 1964 constitutes the final 'easing' in the legislative procedure covering mergers. Its terms allow for an amalgamation, requiring a simple membership majority of all unions involved, or a transfer of engagements in which a simple majority among only the transferor union's membership secures merger. Introduced as a Private Member's Bill it received support of both principal parties in passing through Parliament without debate. The TUC, with approval from employers' organisations, had pressed for legislative reform. The object of the Act was 'to promote and encourage the modernisation of the
trade union movement by facilitating the merger of trade unions' (Rideout, 1972: 453).

In addition to easing the process whereby merger may be achieved, the Act influenced the internal union processes relating to merger. Undy et al. state that the membership 'were faced with a series of faits accomplis arising out of the considerable discretion enjoyed by their national leaders and national full-time leaders of major unions [were able] to launch initiatives without having to refer constantly to the wider membership for authority. In minor unions, on the other hand, there was normally some pressing need for amalgamation which under the right merger terms could provide the national full-time leaders with sufficient discretion to conclude merger negotiations free of mass membership involvement' (1981: 170).

While it is undoubtedly the case that the full-time leadership does have a crucial role to play, and that the 1964 Act accentuated this role, it is to over-simplify the merger process to regard it as being 'free of mass membership involvement'. For example, the leadership of the Sun Alliance and London Staff Association (SALSA) was engaged in merger talks with both BIFU and ASTMS during 1981-82, but the Association's 1983 Annual Conference voted in favour of a motion from the floor against merger with either union. Similarly, the proposed merger agreed between the leaderships of the SCPS and the CPSA was rejected by delegates at the CPSA Annual Conference (Industrial Relations Review and Report, 1983: 4). This decision reflected the doubts held by CPSA members about being in the same union as the staff who supervise and manage them.

Furthermore, merger discussions may be conducted by working parties selected from the membership or, at least, including a substantial proportion of lay representatives. The Amalgamation Working Party of the
NUJ is a case in point being comprised largely of members elected at the union's delegate meeting to engage in merger discussions with the NGA. Indeed, it is reported (Industrial Relations Review and Report, 1983: 5) that the NGA was only prepared to continue merger discussions if the NUJ's National Executive Council took responsibility for the negotiations.

Relations with the political centre. Until the mid-sixties relatively low unemployment enabled trade unionists to secure improvements in labour market terms and conditions directly through collective bargaining with employers. During this period the unions' central political concern was with the protection of the environment for 'free collective bargaining'. Voting at both the TUC and the Labour Party Conferences was dominated by the 'Praetorian Guard', the General Secretaries of the three largest unions - TGWU, GMVU and NUM - who Minkin reports as casting 2,328,000 trade union votes out of a total of 5,552,000 at the 1959 Labour Party Conference (1974: 13). He continues in arguing that

the influence of these major union leaders extended to the process of voting for the National Executive Committee and to the performance on that body of those dependent on union votes. Their influence also extended to the Trade Union Group of MPs... Within the TUC, a similar alignment of the big battalions was carefully orchestrated on policy votes and in elections for the General Council (1974: 13-14).

The close working arrangements between the union leadership and the Labour Party NEC resulted in the party leadership only losing 'one minor vote' at Conference between 1948 and 1960.

The demise of the Praetorian Guard with Cousins' election to the General Secretaryship of the TGWU in 1956 presaged the destruction of
'the equipoise of the postwar relationship between British unions and the Labour Party' (Xinkin, 1974: 15). Concurrent with the onset of the second merger wave rising unemployment reduced unions' direct bargaining power and led to disputes, both within and between the TUC, unions and the Labour Party, regarding policy remedies, accentuated by the election of a Labour government in 1964. Factionalism, the Labour Party's encouragement of white-collar union affiliation and structural shifts in employment patterns contributed to a heightened awareness among trade union leaders that membership size provided the means to influence strategy at the political centre.

This awareness was particularly pronounced among the growing white-collar unions, whose membership affiliated to the TUC rose by 75 percent between 1964 and 1970 to 2,046,187 (Lumley, 1973: Appendix 1) while their leadership representation on the TUC General Council doubled between 1960 and 1972. As has been discussed, white-collar unions in general, and ASTMS and BIFU in particular, used merger as a means to obtain rapid membership increase. Furthermore, many of the smaller white-collar unions absorbed during this period were not affiliated to the TUC, absorption thereby allowing for TUC involvement. In the political context, merger among the longer established unions can be viewed as both a 'jockeying' for political influence between themselves and as a means to stabilise 'naturally' declining memberships to combat the growing political impact of their white-collar counterparts. Some of these unions, most notably the TGWU and the EETPU, were actively involved in acquiring white-collar unions in order to maintain membership and influence.
The political influence derived from membership size is illustrated by reference to the composition of the union side of two key committees, the National Economic Development Council (NEDC) and the TUC-Labour Party Liaison Committee. In 1980, apart from the TUC's General Secretary, the five union representatives on the NEDC were all General Secretaries from unions placed in the largest ten which, as has been shown, were heavily engaged in acquisitions. Similarly, if the TUC General Secretary and President are excluded, the seven remaining union representatives on the TUC-Labour Party Liaison Committee were again General Secretaries of the largest ten unions. Furthermore, Coates and Topham (1986:124) report that the largest ten unions sponsored no less than 71.1 per cent of the total number of trade union sponsored XPs.

Internal TUC policy. Chapter 5 established that the TUC supported amalgamation as a means to reduce the total number of unions yet was relatively ineffective in securing mergers between affiliates. Two aspects of TUC policy have, however, promoted unions to seek merger. These are the policy of the Disputes Committee and the granting of recognition.

Kalis (1978:47) reports that many officials of small unions 'are of the opinion that the entire TUC framework within which inter-union relations operate is nothing more than a protective cloak for the larger unions'. This opinion is derived from the infrequency of Dispute Committee awards allowing for inter-union membership mobility. The historical claims of large unions to wide areas of recruitment prohibits the expansion of the smaller unions. As the Disputes Committee generally upholds these historical claims, smaller TUC affiliates are condemned to
a curtailed scope of recruitment thereby precluding the attainment of organisational stability which, in effect, the TUC institutionally prohibits. Additionally, organisational stability is a prerequisite to effective collective bargaining. Employer recognition and membership satisfaction may not be forthcoming, therefore acting to further inhibit development.

The TUC policy regarding recognition of smaller unions has also acted to promote merger. In acknowledging the historical claims of the larger unions to wide recruitment bases the TUC has refused recognition to those smaller unions which impinge upon recruitment bases of existing affiliates. TUC recognition allows access to the polity and to the TUC's internal services as well as providing the union concerned with additional status which may be significant in securing employer recognition. In response to such applications for affiliation, the TUC's Organisation Committee has recommended that the applicant union should seek merger with an existing affiliate thereby denying the smaller union independent access to TUC facilities. The following example illustrates the pattern:

On June 3, 1975, the NALHM (National Association of Licensed House Managers) applied for affiliation, saying that they had held talks with a number of TUC affiliates about a possible merger and that they did not intend to extend the field they currently organised. A copy of the NALHM's letter was sent to the TGWU, USDAV, GNVU and CSU seeking their comments. The CSU said that they supported the NALHM's application, but the other three unions opposed it. The General Council decided that circumstances had not changed since the NALHM's (previous) application had been... rejected and reaffirmed the advice given in January 1974 (that is, to merge with an affiliated organisation) (TUC, 1975: 37).

The TUC not only rejected the application of the NALHM but did so on the advice of those unions that stood to benefit from its exclusion in terms
of both competitive membership pressures and as potential merger partners.

Centralisation 1918 - 1924 and 1966 - 1983:
A Further Thematic Development

The quantitative evidence on merger waves lent support to the notion that the primary distinction between the two lay in the extent of re-grouping among unions. The evidence on centralisation in Wave I allows for the specification of the nature of this re-grouping. The 1876 legislation was found to have had a prohibitive effect upon merger activity. As a result less formal arrangements of closer unity such as federations came to dominate trade union structure. Within these federations a fragile closer unity was achieved which, when stressed, disintegrated in the face of both craft and geographical bargaining peculiarities. The fragile nature of the federal form was perceived as a source of weakness among trade union officialdom as it precluded the pursuit of centralised bargaining objectives. Re-grouping during Wave I can, therefore, be viewed as 'formalising' existing federal arrangements directed towards greater bargaining coherence.

During Wave II centralisation was primarily achieved within the structure of unions existing prior to the onset of the wave. The tendency towards centralisation was reflected in both the high proportion of newly formed unions absorbed by their larger counterparts and the expansion of the larger unions' recruitment bases into areas of expanding employment. Additionally, the relaxation of principles of craft autonomy allowed for the expansion of recruitment through merger
of larger unions into previously organised, but declining, areas of employment.

The introduction of the Trade Union (Amalgamation) Act 1964, in particular the transfer of engagements provisions, allowed for a higher degree of leadership influence over the merger process. The advent of this rising influence was coupled with increased union activity within the polity and the introduction of policies adverse to the consolidation of status by smaller unions. Higher unemployment and accentuated factionalism within the Labour Party heightened the desire to achieve or maintain influence over policy at the political centre. Given the disparate union membership patterns, one of the purposes of merger, from the perspective at the centre of union organisation, was to consolidate or expand membership to achieve political influence. Additionally, the representatives of the most influential unions within the TUC acted to defend existing organisation through the exclusion of emergent organisations. This exclusion prohibited the development of these organisations which promoted their interest in merger activity to secure organisational stability.

CONCLUSION: A RETURN TO THEORY

Two 'types' of argument are developed in conclusion to the preceding presentation. Firstly, that which relates to existing theoretical propositions and, secondly, that which the data allow for a fuller specification of the operation of the regressors employed in Chapter 4.

The Undy et al. study is restricted to 'the development of U.K. unions since the 1960s'. During this period the authors discerned three
types of merger: aggressive, consolidatory and defensive. It is apparent from the preceding analysis that this categorisation is inapplicable to a study of the merger process covering a longer period; that is, one that includes an analysis of merger Wave I. During Wave I pure 'aggressive' merger appears non-existent. Those unions which were most actively involved in the merger process in terms of absorptions were those engaged in large composite mergers reflecting the re-structuring that characterised the wave. Indeed, these re-structuring mergers could 'fit' into any one of the three categories. They are aggressive in so far as they resulted in an expansion of the recruitment base of the acquiring unions, defensive to the extent that they 'were associated with declining absolute levels of union membership', and consolidatory as the union formed through merger was comprised of pre-merger competitor unions.

The evidence also suggests that the category 'aggressive' is problematic even for the period studied by Undy et al. The two unions regarded as aggressively pursuing merger are the TGWU and ASTMS, whose purpose in such acquisitions was to 'significantly increase their actual or potential membership'. The data presented illustrate that crucial differences existed in the recruiting circumstances of the two archetypical aggressive unions. During Wave II the TGWU recorded a decline in natural growth and used acquired membership to maintain a numerical dominance; that is, to sustain membership levels. By contrast, ASTMS organised sectors rapidly expanding in terms of employment and trade union organisation. 'Natural' growth was high. Its augmentation through merger allowed ASTMS to achieve a predominance in relation to its white-collar competitors. Whereas the unions absorbed by the TGWU
were, in the main, longer established competitor unions, a substantial proportion of those acquired by ASTMS were recently formed.

Additionally, the evidence covering the merger waves lends further support to the differentiation between the periods characterised by the implementation of collective bargaining and the operation of institutionalised industrial relations. Merger Wave I is distinguished by a re-grouping of union structure. This is reflected in a high incidence of composite mergers and unions formed by merger, the merger activity of the ten largest unions and the inter-merging of recently formed unions. This re-grouping was coincidental with a sharp decline in the number of federations, indicating that it was directed towards the formalisation of existing loose structures in response to the consolidation of national bargaining following the effectuation of the Whitley Committee recommendations. By contrast, merger Wave II is characterised by the absorption of unions into the structure of unions existing prior to the onset of the wave. This was reflected in the acquisition patterns of the largest ten unions, the low incidence of composite mergers and of unions formed through merger and inter-merging of newly formed unions. Evidence suggests that this dominant pattern of acquisition was partially directed towards the struggle for influence at the political centre. As such it was assisted by both the powerful influence of senior officials from dominant unions in formulating TUC policy, and the introduction of the transfer of engagements provisions under the terms of the Trade Union (Amalgamation) Act 1964.

In Chapter 3 two hypotheses were posited as to the influence of an increase in the formation rate on the level of merger intensity. These
were that newly formed unions may merge among themselves or alternatively may be absorbed in order to prohibit inter-union competition for membership. The evidence suggests that the dominant influence of the regressor FORM is distinct between periods, the first hypothesis predominantly applying to Wave I and the second to Wave II. It was also suggested in Chapter 3 that the formation rate is, to a degree, a proxy for 'grass roots' organizing initiative. The waves in the formation rate are coincidental with the spread of unionism during Wave I into both manual and white-collar sectors of national and local government and limited inroads into private sector white-collar employment; during Wave II into the private service sector industries such as banking and insurance. It is apparent, therefore, that such organizing initiatives during Wave I were consolidated by mergers among newly formed unions. This consolidation was directed towards recognition and bargaining status; that is, organizational stability was achieved through the influence of an external source - the state. Organizational stability was achieved during Wave II, by contrast, internally to the trade union movement as such organizing initiatives were dissipated through absorption.

The study of merger waves also allows for a differentiation to be drawn between the impact of the Trade Union (Amalgamation) Acts of 1917 and 1964. The evidence presented in Chapter 4 illustrated that both Acts promoted an increase in merger intensity. The nature of these increases was, however, distinct. The 1917 Act promoted the 'formalisation' of existing federal forms into more centralised structures. The 1964 Act allowed for an accentuation of the leadership
role in merger activity and the rapid absorption of small unions into existing structures.

Hobsbawm (1964:179-203) relates that the labourers' unions had been politically involved from the outset. Federation, no doubt, was the structural means whereby this involvement could be most successfully pursued. Furthermore, federation allowed for the convening of a unified union side in negotiations with employers. The state legitimation of trade unionism through the promotion of collective bargaining induced a centralisation of union structure so as to be more effective within this bargaining framework. This confirms the action of the number of trade union sponsored MPs in Chapter 4. Increased trade union involvement in the national polity conferred organisational stability, a stability which was legislatively limited by the terms of the 1876 Act. The widespread introduction of collective bargaining improved such stability which was further enhanced with the easing of the merger provisions in 1917.

Similarly, the evidence on merger Wave II supports the impact for the same regressor during the operation of institutionalised industrial relations. Factionalism within both the TUC and Labour Party accentuated the advantages derived from larger membership size. As trade union representation within the national polity increased, so union leaderships strove for larger memberships to secure their relative position. The Trade Union (Amalgamation) Act 1964 eliminated the necessity for involvement of the acquiring unions' membership thereby easing the pursuit of this leadership function.
1. The 'number of unions dying in mergers resulting in a formation' and the 'membership of unions formed through merger' include, what has been termed to this point, the acquiring union and its membership. Therefore, the 'membership of unions formed through merger as a proportion of total membership absorbed' has a value greater than 100 per cent for it includes more than what has been defined the 'absorbed membership'.

2. The National Union of General Workers (NUGW) was formally known as the National Union of Gasworkers and General Labourers.

3. As these are absolute figures caution must be expressed in their interpretation, particularly with respect to the older unions. A relative measure would have further informed the study. The extraction of the formation dates of unions in existence prior to the onset of the two waves, however, requires a data assembly task beyond the time limits of this study.

4. 1979 is the terminal date for the data on union formations.

5. The NALHM was subsequently admitted to TUC affiliation following an industrial dispute involving the TGWU during which inter-union hostility was marked thereby undermining the TUC's recommendations.

FOOTNOTES
ORGANISATIONAL INSTABILITY DURING THE IMPLEMENTATION OF COLLECTIVE BARGAINING

The use of regression analysis in previous chapters has established an explanatory framework for the analysis of merger activity. During the implementation of collective bargaining the principal features of this framework are the marked influence of unionisation variables, the relatively weak direct effect of economic factors and the sensitivity of organisational stability to political influences. The analysis of merger shape suggests that the implementation of collective bargaining influences merger activity in so far as vertical mergers are predominant prior to the first merger wave. Both during and following this wave there was a more pronounced tendency towards diversification within the merger process, indicating the emergence of the maintenance of organisational stability as an object of merger activity. This notion was reinforced by the analysis of merger activity among the ten largest unions and those unions formed during the concurrent formation wave.

The central theme of this chapter is, therefore, the notion of organisational stability or instability. Chapter 2 discerned three components to the preservation of organisational stability: the achievement and maintenance of bargaining status; the protection of bargaining strength and the impact of internal union authority relations. These three components are necessarily inter-related. It is to the unravelling of the nature of these inter-relationships that this chapter is directed.
Three approaches are adopted. The first comprises an examination of the dissolution waves of 1899-1907 and 1920-1933 on the basis that dissolution is the end-point of organisational instability. In addition to informing the analysis of the merger process, this examination also allows for furthering the understanding of the dynamics of trade union structural events. The second approach considers trade union financial stability and the relationships between the different components of union expenditure. As these components are not independent of environmental economic influences, this second section forms the introduction to the third: namely, the examination of internal union politics. This third aspect of the chapter also allows for an assessment of the impact of the economic influences upon merger activity as mediated by their effect upon the economic circumstances of trade union members.

**DISSOLUTIONS: THE DECLINE OF ORGANISATIONAL STABILITY**

From Figure 2.7 two waves of dissolutions were identified as occurring during the implementation of collective bargaining. Between 1899 and 1907, 350 unions dissolved while during the second, 1920 to 1933, a total of 384 unions dissolved. Both dissolution waves follow 'explosions' of unionism when rapid membership growth and waves in the formation rate are recorded. The first dissolution wave, albeit with a six year lag, followed the establishment of new unionism between 1889 and 1893. Similarly, its later counterpart is concurrent with and follows the period 1919-25, earlier identified as being characterised by the introduction of unionism to national and local government and to
some private white-collar sectors. Both dissolution waves coincide with periods of economic stagnation or decline.

Between 1899 and 1907 aggregate trade union membership increased from 1,775,000 to 2,355,000 although a decline was recorded between 1900 and 1904. By contrast, membership declined during the second dissolution wave from 8,253,000 in 1920 to 4,350,000 by 1933, with a particularly marked fall between 1920 and 1922 when aggregate membership was 5,573,000. It is apparent, therefore, that organisational instability arising from membership losses is likely to have had a marked impact upon the dissolution of unions during the second dissolution wave. Moreover, this view is supported as trade union membership increased during the years immediately following the termination of the dissolution wave. A further point of dissimilarity between the two waves is founded upon the recognition that the first dissolution wave occurred before the implementation of national pay bargaining whereas the second was largely co-incidental with this implementation. As it has been acknowledged that bargaining status is a prerequisite to organisational stability, it is possible that the unions dissolving during the second wave were those that had not secured recognition from employers for bargaining. This explanation may also, in part, apply to the first dissolution wave, for national procedural agreements were operational at the time of its occurrence.

Regression Results

Organisational instability, as was discussed in Chapter 2, is regarded as a factor impelling unions to merge. Dissolution is the end-point of organisational instability. Therefore, the explanations of the effect of the variables described in Chapter 3 with respect to merger,
determination is the same regarding their impact upon the dissolution rate. Table 7.1 includes an aggregate equation for the causation of dissolutions.

The inverse relationship between the dissolution rate and the rate of change of union membership fulfills theoretical expectations and confirms the sensitivity of organisational stability to membership fluctuation during the implementation of collective bargaining. Dissolving unions are, in the main, of restricted membership size. Aggregate trade union membership decline induces competition for membership. Smaller unions are less able to compete in such circumstances as their resources are more limited and their size is likely to restrict opportunities for securing employer recognition.

**Table 7.1**


**Dissolution Rate**

\[ \text{Dissolution Rate} = +0.419(\text{CON})^{**} - 0.428(\text{ΔMEM})^{**} - 0.230(\text{MP})^{*} - 0.489(\text{PEAK})^{***} + 0.278(\text{RV})^{*} \]

\[ R^2 = 0.62 \]

\[ D-W = 2.14 \]

The pronounced sensitivity of trade union organisational stability to political factors during the implementation of collective bargaining is evidenced by the inclusion of both the presence of a Conservative government and the number of trade union sponsored MPs. The positive relationship between the dissolution rate and the election of a Conservative government is indicative of a political climate hostile to
trade unionism promoting the dissolution of unions. In Chapter 4 two explanations were developed regarding the impact of a Conservative government on merger intensity, the relationship between the two being inverse. The first of these is that the policies pursued by the Conservative governments of the period acted to promote organisational stability and thereby curtail merger activity. The second is that the presence of a Conservative government is indicative of a political climate hostile to trade unionism which, in turn, reflects a dampening of rank and file activity. If rank and file activity is a force impelling merger activity, and the election of a Conservative government dampens this force, so merger activity is also dampened.

In Chapter 2 it was argued that merger is a strategy which may be pursued to arrest the decline towards organisational instability, albeit with a loss of organisational independence. Failure to arrest this decline results in dissolution, the end-point of organisational instability. The positive relationship between the dissolution rate and the presence of a Conservative government, therefore, allows for the rejection of the first of the two alternative explanations regarding merger activity, or at least the recognition that its effect is not as strong as that of the second. For, if the first explanation were to apply, a negative relationship between the presence of a Conservative government and the dissolution rate would be anticipated.

The negative effect on the dissolution rate of increased institutional acceptance of trade unionism, as measured by the number of trade union sponsored MPs, also meets theoretical expectations. Institutional acceptance confers organisational stability and, therefore, inhibits the rate at which unions dissolve. The regressor,
the number of trade union sponsored MPs, however, was the weakest influence of the included variables in the equation as measured by the value of the Beta coefficients. It is concluded, therefore, that organisational instability arising from institutional acceptance does not have such a pronounced effect upon the dissolution rate as organisational instability arising from the rate of change of union membership.

High peaks in the business cycle suppress the rate at which unions dissolve. Such peaks are associated with enhanced union bargaining power arising from labour market tightness. It is inferred from the inverse relationship between PEAK and the dissolution rate that organisational instability arising from a decline in bargaining position also impinges upon the dissolution rate. The nature of this relationship can be further elaborated in the light of the positive sign attached to the level of real wages variable, an index of the workers' standard of living. In other words, the rate at which unions dissolve increases as workers' standard of living rises. Given the relationships between union dissolutions and PEAK and the rate of change of union membership, it would seem reasonable to suggest, therefore, that the dissolution rate increases when the bargaining strength of smaller unions declines with the result that they are unable to secure rises in living standards equivalent to those achieved by the memberships of larger unions.

Life Cycles of the Dissolving Unions

The previous section provides a further strut to the framework within which organisational instability can be elaborated. Figure 7.1 shows the mean age of the dissolving unions by the year of the
FIGURE 7.1

LIFE CYCLES OF THE UNIONS DISSOLVING BETWEEN 1889-1907 AND 1920-1933
dissolution wave for the two waves of dissolutions. For the first wave no clear pattern is evident although there is a tendency for those unions dissolving later in the wave to have had a longer life cycle or survival time. A clearer inverse relationship is evident between survival time and the progression of the second merger wave. For both waves the duration of the survival times point towards the majority of the dissolving unions having had a formation date during the formation waves preceding the dissolution waves.

Figures 7.2 and 7.3 lend some support to this suggestion. Clearly, Figure 7.2 illustrates that organisational instability is particularly pronounced among recently formed unions. Indeed, of the 350 unions dissolving between 1899 and 1907, only 51, 14.6 per cent, had been formed prior to 1888. Eighty-nine unions formed during the 'explosion' of new unionism dissolved in the subsequent dissolution wave. In the years immediately following 1893, aggregate union membership tended to rise, although fluctuation within this tendency is recorded. Given the large number of unions with formation dates between 1894 and 1899 that dissolved during the first dissolution wave, it is apparent that while membership was rising slowly unions were still being formed at a marked rate. This would seem to call into question the allocation of 1893 as the termination date for new unionism.

In Figure 7.3, covering the second dissolution wave, the number of unions dissolving with formation dates within the preceding formation wave are provided on an annual basis together with formation dates of unions dissolving in adjoining periods. In all, 237 of the 384 unions dissolving during the wave were formed during the preceding formation wave. A further 19 unions were formed and dissolved between 1926 and
Formation Dates of Unions Dissolving 1899-1907

6 Missing Values
Figure 7.3

Formation dates of unions dissolving 1926-1933
1932. For both dissolution waves, therefore, the overwhelming majority of dissolving unions were those constituted in the preceding formation waves.

It has been assumed that the predominant 'type' of unionism constituted during the formation waves of 1899-1907 and 1917-1925 differs substantially. Between 1889 and 1893 new unions organising semi- and unskilled workers are regarded as the dominant type. By contrast, the 1917-25 formation wave is characterised as consisting, in the main, of unions organising in national and local government and in some sectors of private white-collar employment. If this assumption is correct, it follows, given the tendency of recently constituted unions to dissolve in subsequent dissolution waves, that there should be a different pattern of industrial distribution of the dissolving unions between the two dissolution waves. A comparison of Figures 7.4 and 7.5 reveals this to be the case. In the absence of an annual series showing the number of unions organising in each industry, the data provided are absolute. It is not possible, therefore, to infer from them, for example, that the engineering industry was harder hit than other industries for it may be that there were simply more unions organising in engineering. The rate at which they dissolved may, indeed, be less than that for other industries even though the absolute number is higher. Comments must, therefore, be restricted to those comparing the two dissolution waves.

During the first dissolution wave unions dissolving from engineering, other textiles and the construction industries were the most numerous, constituting 44.9 per cent of the total number of dissolving unions. By contrast, the engineering, banking, insurance and
finance and national government industries provided 47.9 per cent of the dissolving unions during the second dissolution wave. In all 262 (74.9 per cent) unions dissolving during the first wave organised in manufacturing whereas only 153 (39.8 per cent) did so during the second. Nine (2.6 per cent) unions organising in local government, health and education and national government dissolved during the first wave whereas for the second this number had risen to 109 or 28.4 per cent. In other words, there is a significant shift in the industrial distribution of dissolving unions between the waves, indicating developments in the structure of unionism between the two dissolution waves.

Emergent Themes

It is assumed that dissolution is an end-point on an organisational stability-instability continuum. Merger is assumed to be a policy option whereby this end-point can be avoided. The regression results support these assumptions on two counts. Firstly, the theoretical propositions developed for the various regressors in Chapter 3 with respect to merger activity apply to the dissolution rate. Secondly, the variables included in the equation for the causation of dissolutions are similar to those included in Table 4.4. Additionally, the inclusion of the regressor for the presence of a Conservative government with a positive sign attached in the causation of dissolutions allows for further specification of this regressor's impact upon merger activity. That is, it is the hostile political climate and its effect upon rank and file trade unionism that leads to a dampening of merger activity when a Conservative government is elected during the implementation of collective bargaining. In the
light of this result the following two sections of this chapter examine
the nature of rank and file influence upon the merger process.

The differences in the internal composition of the dissolution
waves and the survival times of the dissolving unions also allows for
further elaboration of the nature of the inter-relationships between
structural events. It is apparent that a large proportion of unions
constituted during formation waves dissolve within a short period of
their inception. In other words, rank and file initiative is transformed
into new organisational forms which cannot be sustained. In Chapter 6 it
was noted that 63 unions were both formed and merged during merger Wave
I. By comparison, no less than 237 unions formed during the formation
wave 1917-25 dissolved in the subsequent dissolution wave.
Organisational survival would, therefore, appear to be enhanced by
merging although within only a minority of unions was such a policy
adopted.

It may be that a similar pattern of events occurred among the unions
emerging from the 'explosion' of new unionism. Figure 6.4 shows that the
number of federations climbed sharply from 1905 before the first
dissolution wave terminates. It is possible that this rise in the
number of federations can be attributed to the 'new unions' achieving
organisational stability by federating.' If this were the case,
federation and merger perform a similar function in conferring
organisational stability through enabling unions to achieve employer
recognition and, hence, bargaining status and increases in size thereby
allowing for greater political influence.

The questions that remain are why unions are formed en masse and
why then the majority of them dissolve within a short period? Two
explanations may be advanced which are not mutually exclusive. The first
of these is that inter-union competition promotes dissolution as the
'losers' in such competition fail to maintain organisational stability.
Inter-union competition in this context is primarily conducted over
issues of membership size and bargaining status. As the rate of increase
of union membership declines after both formation waves, some support is
lent to this position. Furthermore, the employers' 'counter-offensive'
to new unionism is coincidental with the first dissolution wave.

A second explanation is based upon the similarity of the
memberships of the newly formed unions and the likelihood that the
influence of organisational dissimilarities would not be pronounced.
These unions were often factory based or, in the case of national and
local government unions, based upon government departments or
authorities. Considerable overlap would, therefore, be expected to
arise. In such circumstances the memberships of such unions may have
simply transferred their allegiance to another organisation thereby
improving the likelihood of organisational survival. In other words,
'informal merger' may have occurred among these unions whose membership
was concentrated on a specific plant, department or locality. Such
structural rationalisation would circumvent the existing legislative
requirements.

TRAD UnON FINANCIAL STABILITY

In regarding trade unions as intermediary organisations, it follows
that the economic circumstances of trade union members have a marked
influence upon trade union behaviour during the implementation of
collective bargaining. The regression results presented in Chapter 4
demonstrate that this influence is mediated by the unionisation variables. The similarity between the aggregate regression results for merger intensity and the dissolution rate suggests that organisational instability is a primary factor in the promotion of merger activity. The immediate question that arises, therefore, is how do the economic circumstances of trade union members promote organisational instability and, in turn, merger activity?

The first avenue of investigation of this relationship is through an assessment of trade union financial stability. Such an approach allows for examination of the impact of membership fluctuation upon unions' income, the effect of unemployment upon union members in terms of its financial cost to trade unions, and the influence of membership militancy through the payment of dispute benefit. Table 7.2 shows the nature of these financial inter-relationships on an annual basis for the period of the implementation of collective bargaining. The purpose of their assessment is to establish trends within union finances. As it is likely that considerable internal variation is disguised by the aggregate figures, the conclusions drawn from their examination should be treated with some circumspection.

At the aggregate level the financial status of trade unionism exhibits a pronounced tendency towards greater financial reserves. Between 1892 and 1939 total funds increase 7.7 fold. During the first dissolution wave, 1899-1907, total funds consistently increased in continuation of the pattern commencing in 1893. This suggests that financial instability was not the source of the increase in the dissolution rate. As such, this confirms the evidence presented in the previous section of this chapter and points towards organisational
instability arising from bargaining status, or lack of it, and political factors as being relatively more influential. During the first merger wave, total funds declined sharply as is anticipated from the regression results presented in Table 4.2. Also of note is that marked variation within the tendency towards increase is introduced in 1910 with the onset of labour unrest. Indeed, no consistent pattern is evidenced between 1910 and the first merger wave, suggesting an inability to maintain growth in financial reserves.

### Table 7.2

The Pattern of Union Finances During the Implementation of Collective Bargaining

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Funds</th>
<th>Average at Constant Expenditure</th>
<th>Average at Constant Expenditure on PB/UB</th>
<th>Ratio</th>
<th>Average 1/2 Expenditure</th>
<th>Average 1/2 Expenditure on PB/UB</th>
<th>Ratio</th>
<th>Average 3/1 Expenditure</th>
<th>Average 3/1 Expenditure on PB/UB</th>
<th>Ratio</th>
<th>Average 4/1 Expenditure</th>
<th>Average 4/1 Expenditure on PB/UB</th>
<th>Ratio</th>
<th>Average 5/1 Expenditure</th>
<th>Average 5/1 Expenditure on PB/UB</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1892</td>
<td>28,602</td>
<td>1.476</td>
<td>1.488</td>
<td>99.2</td>
<td>0.777</td>
<td>0.49</td>
<td>0.441</td>
<td>0.28</td>
<td>0.369</td>
<td>0.23</td>
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</tr>
<tr>
<td>1893</td>
<td>23,964</td>
<td>1.884</td>
<td>1.661</td>
<td>113.4</td>
<td>0.958</td>
<td>0.48</td>
<td>0.631</td>
<td>0.31</td>
<td>0.418</td>
<td>0.21</td>
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<tr>
<td>1894</td>
<td>29,504</td>
<td>1.400</td>
<td>1.595</td>
<td>87.8</td>
<td>0.933</td>
<td>0.60</td>
<td>0.182</td>
<td>0.12</td>
<td>0.429</td>
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<td>33,459</td>
<td>1.385</td>
<td>1.540</td>
<td>89.9</td>
<td>0.968</td>
<td>0.64</td>
<td>0.217</td>
<td>0.14</td>
<td>0.333</td>
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<td>1896</td>
<td>42,070</td>
<td>1.202</td>
<td>1.614</td>
<td>74.5</td>
<td>0.717</td>
<td>0.58</td>
<td>0.170</td>
<td>0.14</td>
<td>0.339</td>
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<tr>
<td>1897</td>
<td>43,742</td>
<td>1.695</td>
<td>1.791</td>
<td>94.6</td>
<td>0.732</td>
<td>0.43</td>
<td>0.584</td>
<td>0.34</td>
<td>0.390</td>
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<tr>
<td>1898</td>
<td>50,837</td>
<td>1.350</td>
<td>1.711</td>
<td>78.9</td>
<td>0.685</td>
<td>0.50</td>
<td>0.303</td>
<td>0.22</td>
<td>0.378</td>
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<td>1899</td>
<td>63,982</td>
<td>1.005</td>
<td>1.462</td>
<td>68.7</td>
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<td>0.58</td>
<td>0.103</td>
<td>0.10</td>
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<td>1900</td>
<td>70,921</td>
<td>1.044</td>
<td>1.435</td>
<td>72.8</td>
<td>0.702</td>
<td>0.59</td>
<td>0.116</td>
<td>0.10</td>
<td>0.374</td>
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<tr>
<td>1901</td>
<td>80,146</td>
<td>1.219</td>
<td>1.513</td>
<td>80.6</td>
<td>0.777</td>
<td>0.57</td>
<td>0.172</td>
<td>0.13</td>
<td>0.400</td>
<td>0.30</td>
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<td></td>
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<tr>
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where, EB: Provident Benefit
UB: Unemployment Benefit
DB: Dispute Benefit
* Prior to 1910 disaggregated data for the different components of union expenditure are unavailable for all unions. Data are available for the 100 principal trade unions. The expenditure/income ratio, therefore, provided for all unions while the different components of expenditure apply to the 100 principal trade unions. In order to calculate the ratios of these components to total expenditure the total expenditure figure for the 100 principal trade unions was used as the denominator prior to 1910, but is not tabulated. For this reason the sum of columns 3, 4 and 5 do not equal the figure provided in column 1 until 1911. On balance, it must be assumed that the presented figures overstate expenditure on these components with respect to smaller unions.

Overlapping with the merger wave is the second dissolution wave of 1920-33. The initial years of this period, 1920 and 1921, witnessed a sharp decline in accumulated funds concurrent with a drop in trade union membership from 8,253,000 to 6,512,000. The tendency towards increase was resumed in the years to 1926 when the most marked decline throughout the whole period was recorded. After the General Strike total funds
| Year | Expenditure | PB | UB | DB | Income | Ratio
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<td>0.50</td>
<td>0.029</td>
</tr>
<tr>
<td>1934</td>
<td>153,323</td>
<td>1.674</td>
<td>1.848</td>
<td>0.793</td>
<td>0.47</td>
<td>0.061</td>
</tr>
<tr>
<td>1935</td>
<td>169,471</td>
<td>1.704</td>
<td>1.904</td>
<td>0.758</td>
<td>0.44</td>
<td>0.050</td>
</tr>
<tr>
<td>1936</td>
<td>181,050</td>
<td>1.498</td>
<td>1.762</td>
<td>0.648</td>
<td>0.43</td>
<td>0.072</td>
</tr>
<tr>
<td>1937</td>
<td>202,366</td>
<td>1.575</td>
<td>1.829</td>
<td>0.717</td>
<td>0.48</td>
<td>0.029</td>
</tr>
<tr>
<td>1938</td>
<td>219,634</td>
<td>1.504</td>
<td>1.767</td>
<td>0.679</td>
<td>0.45</td>
<td>0.033</td>
</tr>
</tbody>
</table>

where, PB: Provident Benefit
UB: Unemployment Benefit
DB: Dispute Benefit

* Prior to 1910 disaggregated data for the different components of union expenditure are unavailable for all unions. Data are available for the 100 principal trade unions. The expenditure/income ratio is, therefore, provided for all unions while the different components of expenditure apply to the 100 principal trade unions. In order to calculate the ratios of these components to total expenditure the total expenditure figure for the 100 principal trade unions was used as the denominator prior to 1910, but is not tabulated. For this reason the sum of columns 3, 4 and 5 do not equal the figure provided in column 1 until 1911. On balance, it must be assumed that the presented figures overstate expenditure on these components with respect to smaller unions.

Overlapping with the merger wave is the second dissolution wave of 1920-33. The initial years of this period, 1920 and 1921, witnessed a sharp decline in accumulated funds concurrent with a drop in trade union membership from 8,253,000 to 6,512,000. The tendency towards increase was resumed in the years to 1926 when the most marked decline throughout the whole period was recorded. After the General Strike total funds
continued to rise until 1939, the impact of the depression appears not to have influenced the capacity of unions to accumulate funds, although it may have had an influence upon the rate at which this accumulation took place for after 1933 the rate of increase improved.

The relationship between membership contributions and union expenditure exhibits marked variation throughout, indicating the impact of membership variation on immediate cash flow. In the aftermath of the birth of new unionism, 1889-93, the expenditure/contribution ratio was particularly high suggesting that trade union membership growth need not necessarily be associated with union financial stability. Between 1894 and 1899, when membership fluctuation was limited, the expenditure/contribution ratio remained fairly stable although it exhibited a tendency towards decline. The year 1897 appears as spurious in so far as the ratio is particularly high by comparison with immediately prior and successive years. This figure is, no doubt, evidence of the financial impact of the engineering lock-out which led the Parliamentary Committee of the TUC to establish a strike fund in support of the engineers (Clegg et al., 1964:165).

Between 1899 and 1907 the trend in the expenditure/contribution ratio continued to rise. It was earlier acknowledged that the recently constituted new unions were unlikely to have accumulated strong financial reserves. Financial stability among these unions would, therefore, be particularly sensitive to changes in the expenditure/contribution ratio. While the accumulation of total funds disguises internal union variation, it would appear from the pattern in the expenditure/contribution ratio that immediate cash flow problems may have contributed to the first dissolution wave. Figure 7.2 illustrated
that the majority of unions dissolving in this period were recently constituted lending some support to this notion. Furthermore, Hobsbawm (1964:192) reports that the labourers' unions 'could not charge the high dues of the craft unions' suggesting that the aggregate figures overstate the financial stability of these recently constituted unions.

With the exception of the war years, 1915-18, the expenditure/contribution ratio remained high from 1908 to 1933. This period is coincidental with labour unrest, the first merger wave and the second dissolution wave. Indeed, for twelve of these years expenditure exceeded income from contributions. Four of these twelve years are coincidental with the first merger wave and nine with the second dissolution wave. In order to establish the relationships between the different aspects of expenditure, the remaining columns of Table 7.2 include breakdowns of expenditure into components covering unemployment and provident benefit, dispute benefit and other costs of which administrative costs are assumed to constitute a substantial proportion.

Expenditure on unemployment and provident benefits exhibits a wide fluctuation throughout the implementation of collective bargaining, but some degree of periodisation is evident. Prior to 1910 expenditure on unemployment and provident benefits tended to rise, albeit unevenly. This increase is, however, unlikely to have influenced the first dissolution wave for, as Clegg et al. (1964:92) report, the low contributions paid by members of the labourers' unions allowed 'for the payment only of fighting benefits'. With the tightening of the labour market the proportion of total union expenditure spent on unemployment and provident benefits declined from 1909, although until 1916 it remained the highest single item of expenditure. The onset of the post-
war depression saw unemployment and provident benefit expenditure rise again but it did not reach the levels preceding 1910 even through the depth of the depression between 1929 and 1933.

Expenditure on dispute benefit exhibits the sharpest fluctuation among the three disaggregated items of expenditure. An initial decline in the proportion of expenditure constituted by dispute benefit is recorded as the industrial ferment associated with new unionism dissipated. With the exception of the years 1897-98, marked by the engineers lock-out, about 11 per cent of total expenditure was spent on dispute benefit until 1908. From this point until 1921, excluding the war years 1915-18, expenditure on dispute benefit was well above average, particularly during 1912, 1920 and 1921. This pattern is broadly consistent with that of merger intensity which shows an upward trend from 1910 and falls during the mid-war years before rising again following the enactment of the Trade Union (Amalgamation) Act 1917. Furthermore, the pattern of expenditure on dispute benefit is similar to those of the expenditure/contribution ratio and total funds. While this similarity in pattern does not infer causality, earlier analyses in Chapter 4 demonstrated that the level of funds per member provided additional explanatory power to the basic economic model during the implementation of collective bargaining. In other words, while it is the level of funds per member that has been shown to be associated with merger activity, it is expenditure on dispute benefit that influences the expenditure/contribution ratio which, in turn, affects the level of funds per member. The similarity in pattern is reproduced in the years following 1922. Total funds increased as the expenditure on dispute benefit declined. A 'kink' in both indicators is recorded for 1926 after
which total funds steadily increase whereas expenditure on dispute benefit does not exceed five per cent of total expenditure.

Other costs exhibit a gradual tendency towards increase with little fluctuation in terms of their proportion of total expenditure. Given that administrative costs constitute a substantial proportion of these other costs, this tendency is not entirely unexpected on two counts. Firstly, the introduction of bargaining necessitates an increase in expenditure to maintain the bargaining function. Secondly, administrative costs are most susceptible to internal union control, a factor which would account for their steady and consistent increase. Of particular note is the substantial rise in other costs in 1920 when they more than doubled whereas retail prices rose by 21 per cent indicating that this increase arose from policy decisions rather than external factors. After 1920 expenditure on other costs never returned to the 1919 money levels.

Regression Results

Table 7.3 shows the result of regressing merger intensity against the three principal components of union expenditure, each of which is expressed as a 'real' cost. The positive relationship between merger intensity and expenditure on dispute benefit is as expected and suggests that an increased frequency of strike activity promotes mergers among trade unions. In turn, this result implies that rank and file activity impinges upon the merger process during the implementation of collective bargaining through its impact upon union financial stability.

The negative and significant association between merger intensity and expenditure on other costs lends tentative support to the notion that organisational stability derived from recognition for bargaining is
a primary union objective during the implementation of collective bargaining. It is accepted that administrative costs comprise a significant proportion of these 'other costs' and that union administrative costs rise on the implementation of collective bargaining arrangements. The achievement of recognition for bargaining purposes has been assumed to confer organisational stability. The negative relationship between merger intensity and other costs may, therefore, be explained in terms of the rising administrative costs, reflecting enhanced organisational stability arising from recognition for bargaining purposes. In other words, rising administrative expenditure is an internal union cost traded off against the benefits, in terms of organisational stability, derived from recognition for bargaining.

**TABLE 7.3**

**REGRESSION RESULT: UNION EXPENDITURE AND MERGER ACTIVITY DURING THE IMPLEMENTATION OF COLLECTIVE BARGAINING**

**DEPENDENT VARIABLE: MERGER INTENSITY**

\[ 0.169 \text{(DB)} - 0.424 \text{(OTHER)}^{**} - 0.236 \text{(PBUB)} \]

\[ R^2 = 0.28 \]

\[ D-W = 0.80^2 \]

where DB : union expenditure on dispute benefit

OTHER : union expenditure on other costs

PBUB : union expenditure on provident and unemployment benefits

The three regressors are expressed in real terms. That is, they are corrected for changes in the retail price index.
The inverse relationship between merger activity and expenditure on provident and unemployment benefits remains a puzzle. It is anticipated from the results obtained employing the regressor PEAK that high unemployment, and hence high expenditure on unemployment benefit, should promote merger activity. An explanation may, however, be deployed to explain this discrepancy. The negative relationship may be understood in terms of internal control over union finances. For example, if expenditure on provident and unemployment benefits is rising within a union to the extent that the organisation's financial viability is threatened such benefits may be cut in order to retain organisational stability. The relationship between PEAK and expenditure on unemployment benefit is, therefore, likely to exhibit marked variation in the light of union policy changes. Furthermore, it must be acknowledged that many unions did not pay such benefits, again pointing to the lack of any direct relationship between unemployment and aggregate union expenditure on unemployment benefit.

A Further Thematic Development

This review of the financial status of trade unions allows for the positioning of further struts to the argument. Recently formed unions do not have large accumulated financial reserves. It is not to the total funds accumulated by unions but to the expenditure/contribution ratio, therefore, that reference should be made to establish the financial status of such unions. During both dissolution waves, which consist predominantly of the demise of recently formed unions, the expenditure/contribution ratio was relatively high, implying that financial constraint was an influence upon these dissolutions.
During the first dissolution wave the combined effect of expenditure on unemployment and provident benefits and other costs acted to raise the expenditure/contribution ratio. Given that the majority of the new unions did not pay such benefits and that, by definition, the administrative costs of recently formed unions are small, however, it would be to overstate the case to argue that financial stringency was the sole cause of the first dissolution wave.

A different picture emerges for the second dissolution wave. Between 1920 and 1933 the expenditure/contribution ratio remained high although the inter-relationships between the different components of expenditure changed. Initially, the proportion of expenditure spent on dispute benefit rose to be followed by a rise in that allocated to unemployment and provident benefit. From 1920 onwards substantially larger sums were required to meet other costs. In Chapter 6 it was noted that the introduction of national pay bargaining was influential in the determination of structural change. Such bargaining requires the establishment of an administrative apparatus. Mergers among recently formed unions were prevalent during the first merger wave in an attempt to secure bargaining status through increased membership size, which also allows for the establishment of an administrative apparatus. In other words, there is a membership size threshold which both enables the achievement of recognition for bargaining and the provision of resources to support bargaining. Financial stringency arising from increasing administrative costs is, therefore, likely to have been an important influence upon the second dissolution wave.

Chapter 4 demonstrated the inverse relationship between the level of trade union funds per member and merger activity. Throughout the
merger wave 1918-24 the expenditure/contribution ratio was high and had been so since 1908 suggesting a cumulative draining of funds. Initially, the source of this diminution of funds was the increase in expenditure on dispute benefit arising from the labour unrest. This was latterly supplemented by a rise in the proportion of expenditure allocated to unemployment and provident benefit. Throughout, other costs rose in tandem with the more widespread introduction of bargaining. In particular, 1920, when merger activity was steeply rising, saw a substantial increase in such costs. It is, therefore, the confluence of these three factors that imposed a financial impetus towards merger. The next section of this chapter examines the internal union political inter-relationships that underpin this variation in union finances thereby adding a further component to the understanding of the merger process: namely, the relationship between environmental economic factors and merger activity as mediated by their influence upon membership behaviour.

**ECONOMIC FACTORS AND INTERNAL UNION POLITICS**

*1893 – 1914*

The culmination of the 'Great Depression', 1873-96, was marked by the 'explosion' of new unionism. Widespread strike activity was coupled with a rapid rise in trade union membership and the formation of the labourers' unions organising the semi- and un-skilled. Hobsbawm, commenting on this and similar preceding periods, points out that 'they are, in fact, generally expansions of the [trade union] movement into new industries, new regions, new classes of the population; they coincide with a clustering of new organisations, and the adoption of new
ideas and policies by both new and existing units' (1964:127). The Webbs would appear to concur in reporting that the increase in union membership 'was of less importance than what may, without exaggeration, be termed the spiritual rebirth of organisations which were showing signs of decrepitude' (1920:420).

The economic stagnation which set in after this explosion was to last to the turn of the century. It acted to curtail union membership growth to 1.2 per cent between 1892 and 1899. Real wages continued to increase until about the mid-1890s when both prices and wages stabilised. Strike activity declined, Cronin(1979:49-50) describes those that did occur as 'small and localised' with union leadership having 'played a minor role in initiating the struggles'. Indeed, Lovell comments that 'survival was the basic problem for the new organisations, they were assailed by attacks from the employers even before the trade boom had subsided, and once the downswing did commence in 1891 they were pushed even further on the defensive'(1977:24).

The defeat of the engineers in 1898 together with the effects of the employers' 'counter-offensive', culminating with Taff Vale in 1901, had a depressing effect upon rank and file trade unionism. This effect was compounded between 1900 and 1908 by a period in which real wages remained static and the rate of increase in productivity declined in the face of strong international competition particularly from America and Germany. While productivity declined output rose, indicating that the employers increased working hours to meet orders. Littler (1982:80-98) suggests that this intensification of work was accompanied by a tightening of management work-shop control through reorganisation of the labour process, the spread of piece-work and the introduction of
innovative management techniques. Concurrent with these developments Saville (1960) has shown that new unionism was constantly vilified in the press and contingents of strike breakers made available to employers with the consequence that public support for unionism dissipated. After having peaked in 1893, unemployment remained stable between 2.0 and 3.3 per cent until the turn of the century, ensuring some degree of bargaining strength.

Figure 7.6 illustrates that strike frequency steeply declined during this period. This decline has been primarily attributed to the implementation of collective bargaining in cotton, coal mining, engineering and ship-building, all of which were prone to large scale strike action (Clegg et al., 1964: 362). The impact of collective bargaining was to divide 'the unions internally rather than unite them' (Lovell, 1977: 34). From the perspective of the union leadership collective bargaining conferred organisational stability through bargaining status and enhanced their prestige and authority within unions. Furthermore, the centrality of procedural negotiations limited the 'wasting [of] unions' resources in a series of local disputes over which [the leadership] had no control'. Clegg et al. succinctly make the point that

some of the national agreements represented a joint victory for employers and trade union leaders over the hostility of a rank and file which was still wedded to the traditions of unilateral regulation (1964: 471).

The twin prongs of the employers' counter-offensive following the birth of new unionism ran concurrently with a limited but consistent level of merger intensity and were implemented during the Conservative administrations between 1895 and 1905. Trade union structure was far
from stable, however, as is evidenced by the first dissolution wave 1899-1907. In other words, structurally the impact of the employers' counter offensive was measured in terms of organisational dissolution rather than formal restructuring. Similarly, as was evidenced in Figure 6.4, the period was also marked by a decline in the number of federations again pointing to the predominant pattern of organisational instability and decline. ³ 

Strike activity, in addition to membership growth and merger intensity, remained stable throughout the first decade of the twentieth century but with the 'sharp improvement in trade and employment visible by the summer' (Clegg, 1985:11) of 1910 strike activity escalated into the labour unrest of 1910-14. Cronin records that wages and union recognition were the main demands underpinning the increase in strike frequency. Of more significance to the present purpose, however, is his assertion that 'surrounding all such efforts was a surge of sentiment in favour of broader and more effective forms of labour solidarity as the only effective tactic against the combinations of the employers and the apparent duplicities of the state' (1979:52). Phelps-Brown (1965) concurs in reporting a widening of 'orbits of coercive comparison'. The labour unrest 'ultimately touched most groups of workers, the dispersion actually broadening in 1913 as the numbers involved declined' (Cronin, 1979:51). Merger activity rose in intensity during 1910 and continued to do so until 1913 when a slight decline was recorded. Union membership, by contrast, showed a consistent upward tendency over the same period.

In tracing the development of British syndicalism between 1900 and 1914, Holton (1976:27-29) refers to falling real wages, 'the
incorporation of labour leaders within collective bargaining systems and parliamentary politics' and 'the development of business amalgamation into larger units of production, which led to a higher degree of concentration in patterns of ownership and control' as, in combination, providing the spur to the growth of syndicalist influence. While the impact of the syndicalists was limited to specific industries and, more often than not, specific localities within these industries, there can be little doubt that they influenced the pattern of merger activity. In particular industries syndicalists 'helped to initiate federation and amalgamation campaigns' whereas in others they sought to influence existing industrial union movements. Prominent among these was the Provisional Committee for the Amalgamation of Existing Unions which by 1912, two years after its inception, had formed Amalgamation Committees in building, printing, engineering and transport.

The formation of the Amalgamation Committees Federation in 1912 was to lead to the constituting of the Industrial Democracy League. Holton reports that by this time union amalgamation was increasingly seen by rank and file trade unionists

not simply as organisational reform to achieve greater efficiency in collective bargaining, but more ambitiously as an integral part of the struggle for revolutionary industrial unionism (1976:144).

The campaigns of the building industry amalgamation committee compelled the TUC to convene an amalgamation conference in 1912 at which the principle of merger was supported by 31,541 votes to 12,156, a poll representing about 40 per cent of those eligible to vote. Holton (1976:158) comments that this initiative foundered upon the opposition of leaders who were concerned about the undermining of their status and
believed that the federal form of organisation was sufficient to obtain trade union goals.

Policy differences between the rank and file and trade union leadership were also manifest in the most notable of the pre-war mergers: the formation of the NUR in 1913. Although the Railway Clerks Association and the Associated Society of Locomotive Engineers and Firemen rejected overtures to join the amalgamation in attempts respectively to preserve white-collar and craft status, the NUR was the first union approximating to the 'ideal typical' industrial union. Undoubtedly syndicalist influence was prominent in this case, for as Holton comments

The experience of the 1911 strike (called in response to the failure of the 1907 Conciliation Scheme) certainly gave a boost to syndicalism on the railways. In the first place, joint action by different grades of railwaymen at the rank and file level stimulated the movement towards industrial unionism as a means of maximising trade union strength. Secondly, the syndicalist critique of conciliatory trade unionism was further vindicated by the manner in which the national strike was settled' (1976:107).

Bagwell (1963:309) expands this point in stating that between '1890 and 1913 there were no less than twelve major attempts at the fusion of forces', success being recorded in 1913 because unofficial action in 1911 led 'the leaders of the railway unions [to feel] obliged to act promptly and together if they were to retain control of the situation' (1963:325). This prompted a realisation of the benefits to be gained through merger given increasing financial stringencies and increases in membership size which made it 'more difficult for full time officers to keep fully in touch with opinion in the branches where the membership was increasingly influenced by syndicalist doctrines' (1963:337).
Rank and file initiative was prominent in other aspects of trade union activity. An ASE official, for example, commented in 1913 that the 'Workers' Union is not so much directing the strikes as following them, and is making members by the thousand' (quoted in Hyman, 1971: 56). Figure 7.6 lends weight to this notion in the aggregate, showing that strike frequency and membership growth markedly increased during the immediately pre-war years. Cronin (1979:100) reports a 'general dissatisfaction prevailing at the base of industry' which was accompanied by the 'strategic innovation of the sympathetic strike'. This tendency towards shop floor unity, no doubt spurred in certain quarters by the syndicalists, created a dynamic within unions in which both officialdom and shop floor unionists came increasingly to support closer unity whether achieved by merger or federal forms of organisation.

The propulsion towards closer unity differed in degree between the different strata within unions. The development of collective bargaining or conciliation, described by Clegg et al. (1964:471) as 'the outstanding feature of this period', took two forms. Industrial procedural agreements, largely ratified at the national level, established a mechanism whereby disputes not settled locally were referred 'to a central joint conference of the industry before any resort to strike action could take place' (Lovell, 1977:41). Substantive issues remained located at the workshop, dealt with through local bargaining or the remnants of unilateral craft regulation. Clegg (1970:203) reinforces the distinction between substantive and procedural issues in stating that before 1914 'it was difficult to discern a definite trend towards industry wide pay settlements'. 
As signatories to the procedural agreements, union officialdom viewed collective bargaining as permanent conferring organisational stability through bargaining status coupled to enhanced personal influence. Procedural requirement for the leadership sanctioning of strikes, moreover, increased the authority of officials within their unions. In consequence, the number of trade union officials grew. As Clegg et al. comment:

any attempt to estimate totals would produce highly suspect figures, but it seems probable, with the coming of the new unions and the changes in the craft societies, that the number of officials grew faster than total trade union membership (1964:478).

From the perspective of the wage earner different priorities held sway. Sectionalism, inherent in trade union organisation, prohibited the development of bargaining strength for the realisation of substantive goals. Concurrently with the implementation of collective bargaining employment terms and conditions deteriorated. Workshop commitment to existing institutional forms was, therefore, qualified at best. Rank and file agitation for realignment within trade union structure was pronounced, arising from the experience of working in conjunction with workers organised in other unions during the labour unrest. Merger activity did not rise at the same rate as either strike frequency or trade union membership during the immediate pre-war period, however, suggesting that the impact of the organisational influences remained strong enough to prohibit widespread merger activity.

Among the organisational influences, G.D.H.Cole (1924:79) mentions financial inequalities in terms of accumulated funds and benefit provision as being particularly inhibitive to merger activity. Additionally, he notes the difficulties in placing officials in an
amalgamated union. In an attempt to ease this area of difficulty the TUC formulated a plan to establish a general pension scheme for officials of affiliated unions. The intention of the scheme was to equalise rates of pension contribution thereby eliminating this as an area of negotiation. The scheme was not well received, however, and was eventually dropped.

In summary, the period prior to the outbreak of World War I can be characterised by the deepening of internal divisions within trade unionism. Union officialdom placed relatively greater strategic emphasis upon the introduction of bargaining, albeit primarily in a procedural form, as a means to enhance organisational stability. In contrast, the membership spurred by the decline or slow rate of increase in their living standards more readily embraced merger as a strategic option to strengthen their 'industrial muscle'. Although limited in influence, the impact of syndicalism promoted the adoption of merger as the means whereby economic improvement could be achieved. In other words, prior to World War I a degree of differentiation within the trade union movement towards merger as a policy option is observed.

1914 - 1918

The trends evident prior to the outbreak of hostilities followed divergent paths after 1914. Both the number of strikes and merger activity declined during the initial phases of the war although trade union membership growth, as is shown in Figure 7.6, continued unabated. The later war years saw the resumption of the upward trends in both strikes and mergers, the turning point for the latter coinciding with the enactment of the Trade Union (Amalgamation) Act 1917.
Inevitably the war induced a high demand for labour which was reflected in the growth of membership. This growth led to the expansion of trade union organisation into new areas, however, and can be regarded as the second of Hobebawm's 'explosions'. Particularly sharp increases are also reported in the unionisation of women. Concurrently, Clegg (1985) records that the coverage of collective bargaining broadened and was reinforced from 1915 onwards by the promotion of national wage bargaining by the Ministry of Munitions and the Committee on Production. Institutional support was later provided through the implementation of the Whitley recommendations.

During the early years of the war, wage rates lagged behind prices with a resulting decline in living standards. By 1919 similar increases in the two indices were recorded, followed by a period when increases in wage rates surpassed those in prices. By 1921, however, the initial post-war downturn set in. Marked variation in the pattern of incomes is reported. Bowley (1937) notes the squeezing of differentials for skill arising from wartime industrial practices, whereas Routh (1980) points to both the relative and real decline in the pay of white-collar workers during the immediate post-war period.

The war heralded profound changes in production techniques, accelerating pre-war tendencies. The introduction of mass production methods in the munitions industries was the forerunner of their more widespread application throughout engineering generally. The gradual extension of wartime controls on an industry by industry basis and the central control of staffing policy generated a governmental reliance upon trade union officials to 'deliver the goods'. Wartime controls also acted to increase the number of issues handled within the workshop.
Specifically, the introduction of dilution agreements and bargaining surrounding the terms of craft status accentuated the growth in the number of shop stewards, notably in the craft-oriented sectors of the economy.

Clegg et al. (1964:432) suggest that 'by 1909 stewards were being elected... in most of the major centres, and their number and functions continued to grow'. Furthermore, G.D.H. Cole (1923) noted that shop stewards formed workshop committees which bargained with management over local bargaining issues in general and piece rates in particular. Such committees were comprised of representatives from all the unions organised in the workplace. In other words, workshop organisation transcended the boundaries of national trade union organisation. This, in turn, led to shop floor pressure directed towards the adoption of the principles of workshop organisation at the national level; that is, amalgamation to form more broadly based unions. By November 1916, infuriated by the dilatory attitude of the trade union Executives towards amalgamation, and encouraged by the growing power of the shop stewards, the [Amalgamation Committee] movement presented the Executives [of the engineering unions] with a three-month ultimatum to amalgamate (Hinton, 1973:284). When the deadline passed, the Amalgamation Committee Movement merged with that of the Shop Stewards and Workers' Committee in January 1918 as a means to increase leverage on the unions' executives. The emergent breadth of workshop organisation in engineering, shipbuilding and, to a lesser extent, among the building trades and transport workers led to a shift in the locus of authority within unions.
Employing the notion of the 'servile state', first coined by Belloc (1913), Hinton points to the unprecedented level of cooperation between the government, employers and trade union officialdom generated in order to pursue the 'war effort'. In many regards the rapid growth of the shop stewards organisation constitutes a reaction against this collaboration. The point here is that the combination of economic and political circumstances accentuated by a rise in unionisation led to the emergence of workshop organisation which threatened to undermine the very basis of the tripartite collaboration, namely: the authority of trade union officials over their members. Hinton makes the point that wartime pressures on the craft workers intensified the desire for closer unity, and rank and file initiative in the construction of joint organisation at the workshop level showed the union officials that the maintenance of their authority depended on achieving amalgamation (1973:49).

It is likely that this view was also held by employers and the government; hence the change in the legislation relating to mergers in 1917.

Mr. Peto, Conservative MP for Devizes, expressed the same position in the debate on the Trade Union (Amalgamation) Bill in stating that he hoped that the Bill when enacted would enable 'the accredited representatives of trade unionism to regain all the command they had formally over their members' (H.C. Deb., 14 May 1917, 1429). The prevalent political distrust of unionism and its workshop manifestations were further evidenced during the same debate when the spectre of 'one big union' was invoked in the tabling of an amendment with the object of restricting amalgamation between unions to those organising in the same industry. While support for this amendment wilted in the face of forceful opposition from trade union sponsored MPs, it is indicative of
the extent to which workshop organisation was perceived as a threat to the nascent tripartism. The question raised by this analysis is how did amalgamation enable control to be regained by union executives? Tendencies both within unions and in the environment impinging upon unionism can be deployed in explanation.

Novel constitutional arrangements, such as the 'bifurcated' structure of the TGWU, allowed for a concentration of power. As was mentioned in Chapter 6, however, the TGWU was unique among the larger unions in introducing new rules and procedures. Clegg (1985:551) reports that between 1910 and 1933 national executives replaced local ones, more unions introduced national delegate conferences and, with the exception of general secretaries and full-time presidents, an increasing number of union officials were appointed rather than elected. Clegg et al. (1961:38) suggest that between 1921 and 1927 the number of trade union officers increased almost twofold while during the same period trade union membership fell from 6,512,000 to 4,860,000. Merger, by definition, also leads to increases in membership size and, as was evidenced by Figure 6.1 for merger Wave I, the enlargement of recruitment bases and, therefore, membership heterogeneity. Martin (1968) has argued that both these tendencies reinforce the tendency towards union bureaucratisation, thereby facilitating the centralisation of internal union authority.

These tendencies internal to trade unions were undoubtedly influential in the 'upward shifting of power and influence within the unions to the full time officials'. Environmental factors also impinged upon this process. More widespread union recognition and the introduction of national pay bargaining following the implementation of
the Whitley Committee recommendations placed in the hands of the union executives power regarding the sanctioning of strikes. Additionally, the rise in unemployment during 1921 and its continuation at a high rate throughout the twenties acted to erode the influence of workshop organisation and allowed for the victimisation of the shop floor leadership by employers. Hinton and Hyman (1975) also suggest that the degeneration of the shop floor leadership was accentuated by the sectarian policies adopted by the Communist Party in the same period which acted to fragment shop floor organisation.

In terms of trade union policy towards merger, World War I may be summarily regarded as a period of convergence. As was noted above, there was considerable rank and file pressure in favour of mergers prior to the outbreak of hostilities. This pressure continued throughout the war, albeit with a brief lull during its earlier years, fueled by rapidly increasing prices and ever-tighter management control at the work place. The development of workshop organisation in certain industrial sectors placed union officials under greater pressure to 'deliver the goods' with respect to improvements in the terms and conditions of employment of their members. Furthermore, this rank and file organisation was perceived as threatening to undermine the authority of some union officials. As a result, there was a change in attitude towards merger among the threatened union officials who came to regard a merger policy as a means whereby they could consolidate their authority.
The tendencies prevalent until 1933, when membership growth resumed, were present early in 1920 with the onset of the post-war economic downturn. As is shown in Figure 7.6, trade union membership, strike activity and merger intensity fell after peaking between 1921 and 1922. Lovell (1977:57) reports that during 1919-25 'an annual average of nearly 28 million working days were lost through strikes and lockouts' whereas 'during the period 1927-39 the average was a little over 3 millions'. Clegg (1954) suggests that the divergent pattern in strike activity prior to and following the General Strike is explained in terms of the wild fluctuations in prices before 1926. These fluctuations, he argues, upset the balance within national pay bargaining thereby inducing a high incidence of national strikes. After 1926 prices were more stable and, for those in work, real wages increased enhancing the security of national pay bargaining.

Such a unilinear explanation obscures the complexities of the social processes involved. For example, it was prior to the General Strike that the trade union leadership reasserted its authority within trade unionism. Furthermore, Hobsbawm (1964:327) comments on the political swing to the right of trade union leadership in this period. Cronin (1979:128) lends weight to this position in pointing to the 'overwhelming majority' of the vote at the 1927 special conference of the TUC endorsing 'great satisfaction with the General Strike of 1926'. Liaison between union leadership and employers was further fortified, in reputation if not in practice, by the Mond-Turner talks of 1927-28. Further evidence of the upward shift in power within trade unionism is provided by the enhanced degree of centralisation inherent in the TUC.
reorganisation undertaken between 1918 and 1927. Allen (1960:38) comments that 'by 1927... the TUC was able to accumulate authority amongst trade unions which had no constitutional basis but which was derived from its knowledge and integrity. It thereby contributed more positively than ever before to the establishment of a Trade Union Movement'.

The preservation of organisational stability also became a dominant theme during the depression years to 1933. Figure 7.6 shows a minor surge in merger intensity between 1929 and 1933. Amongst the major unions, the Workers' Union was particularly hard hit by membership loss and merged with the TGWU in 1929. The second dissolution wave between 1920 and 1933 accounted for no less than 384 unions. Both the number of mergers arising from organisational instability and dissolutions might have been greater had it not been for the curtailing of unemployment benefit. Clegg makes the point that

the unions would have been overwhelmed had not many of them terminated their unemployment benefits in 1921-22 to avoid bankruptcy. Disengagement continued slowly thereafter, and quickened again in 1930, either by abandoning schemes or by temporary suspension, so that union expenditure on unemployment benefit actually fell in 1932, despite the continued rise in the unemployment figures (1985:553).

The termination of the dissolution wave in 1933 coincided with a return to steady membership growth. By 1940 trade union membership had only been bettered during the peak years of 1919-20. This upsurge was accompanied by an increase in strike frequency initiated during 1934. In 1932 there was a national stoppage in textiles which was to be the last national dispute until 1953. Merger intensity declined over the same period, the unions absorbed being small.
With the diminution of the influence of the rank and file upon the formulation of union merger policy, the post-war period was characterised by the enactment of 'official' policies towards merger. Spurred by the formalisation of bargaining and organisational instability, arising principally from membership decline, such policies were primarily enacted to facilitate the achievement of goals within the formal bargaining process.

CONCLUSION

This chapter has examined three aspects of organisational instability: dissolution waves, the end-point of organisational instability; financial instability; and instability arising from internal union politics. As such it has served two purposes. The first was to establish organisational instability as a motivating force for merger activity. The second was to further the understanding of the dynamics of trade union structural events. Clearly, there are inter-relationships between the different aspects of organisational instability which, to a degree, have been obscured by their examination in isolation. These must now be elaborated in order to establish the nature of the impact of the economic influences upon merger activity during the implementation of collective bargaining.

The pivotal role in the merger process during the implementation of collective bargaining is that of trade union officialdom. The growth of collective bargaining provided, to those unions securing employer recognition, a measure of organisational stability through institutional acceptance. Additionally, the status and authority of union officialdom was enhanced both within unions, by means of their knowledge and control
of national bargaining, and in the relations of unions with external bodies notably government and employers. During the twenty years surrounding the turn of the century, the economic circumstances of wage earners remained static or, at best, did not significantly improve. Concurrently, work intensified and new workplace methods were introduced in order to meet overseas competition. Financially, however, unions were weak. This weakness was exacerbated during periods of increasing unemployment which acted to raise the expenditure/contribution ratio.

Accumulated rank and file grievances coupled with a tightening in the labour market induced the labour unrest during which strike frequency and membership increased rapidly. Led from the workplace, the proliferation of strikes produced a further increase in the expenditure/contribution ratio. Moreover, workshop organisation overcame the sectionalism inherent in national union organisation. The separation of procedural and substantive issues into different levels of bargaining provided a further impetus to workshop organisation. In combination, these factors threatened the status of officialdom, for the procedural aspects of collective bargaining, from which external status was derived, was reduced in effectiveness by rank and file pursuit of the substantive. In the knowledge that substantive benefits were more readily realised through broader based action, the basis of national union organisation was threatened from below, constituting an internal threat to officialdom's status. The predominant pattern within the pre-war rise in merger activity can, therefore, be viewed as a strategy to re-establish this status by incorporating membership initiative into national organisation, thereby allowing for the development of collective bargaining.
The war effort initially dampened the fervour of rank and file unrest, but the deterioration in living standards, the tightening of workshop control in war related industries and the formalisation of workshop representation in the form of shop stewards organisation threatened the status of officialdom. Merger was again the response, no doubt eased by the introduction of the Trade Union (Amalgamation) Act 1917.

The post-war depression coupled with the introduction of widespread national pay bargaining led to a change in emphasis. Organisational stability was threatened by membership loss with its consequent effects upon bargaining status. To add to this, disputes within existing federal structures weakened the bargaining position of affiliated unions. In these circumstances merger was pursued to maintain bargaining status and centralise authority upon a single executive. Increases in administrative costs reflect the deployment of more full-time officials with the purpose of consolidating this centralised authority. Workshop organisation no longer constituted a threat to organisational stability as it was decimated by employers when economic circumstances turned the tide in their favour.
1. This point is to be regarded as speculation based upon the coincidence of events. In order to substantiate the point it would be necessary to establish the constituent unions of the federations formed in the period and to ascertain their formation dates. Such a task is not central to the central thrust of this study and has, therefore, not been undertaken.

2. Chapter 4 set acceptable limits for the Durbin-Watson statistic at 1.35 or greater. The value recorded here clearly falls outside this parameter of acceptability; therefore, the regression results should be treated with some circumspection. The Durbin-Watson statistic records the degree of correlation between the residuals. A low recorded value for the Durbin-Watson statistic suggests that there is a marked pattern of unexplained variance in the dependent variable. This equation is presented on the understanding that such a marked pattern of unexplained variance is anticipated as only a limited range of independent variables are included. The object of their inclusion is to examine the relative effect of the three components of union expenditure, not to assess the impact of these components by reference to other influences upon the merger process which has already been achieved in the aggregate through the use of the regressor FUNDS.

3. It was discussed in Chapter 6 that the federal form of union organisation is a source of organisational stability. This notion could be more fully investigated by examining both the reasons for the decline in the number of federations during this period and whether those unions forced to dissolve were affiliated to federations. Such an examination would also allow for an assessment of the extent to which federal
organisation facilitated mergers for, given the climate of organisational decline, it is expected that the level of mergers among federation affiliates would be pronounced.
ORGANISATIONAL INSTABILITY DURING THE OPERATION OF INSTITUTIONALISED INDUSTRIAL RELATIONS

During the operation of institutionalised industrial relations the application of regression analysis in Chapter 4 illustrated the sensitivity of merger intensity to economic and political influences and the limited impact of unionisation factors. Chapter 5 examined the shape of merger activity. A tendency towards increased diversification within the merger process during institutionalised industrial relations was discerned, suggesting that mergers are directed towards more than an increase in union bargaining strength for industrial collective bargaining. The absorption pattern among the ten largest unions during Wave II showed that recently formed unions tended to be acquired into existing union structures and that TUC policy restricted opportunities for the small unions to establish a recruitment base sufficient to maintain organisational stability, thereby further promoting mergers.

Five aspects of organisational instability during institutionalised industrial relations are examined here within the framework provided by earlier chapters. The association between environmental influences and merger intensity among unions of different sizes is examined. It has been assumed that organisational stability is related to membership size. It follows that the relationship between the environmental influences and the membership size of merging unions will differ. The initial section of this chapter, therefore, examines this proposition. The second section examines the association between the dissolution rate
PAGE NUMBERS CUT OFF IN ORIGINAL
and environmental influences in order to further both the understanding of the dynamics of trade union structural events and to elaborate the factors underpinning the tendency towards organisational instability, dissolution being its end-point. Breakaway unions are organisationally unstable on two primary counts. Firstly, as with recently formed unions, breakaway unions have to compete with longer established unions. Secondly, the TUC has voiced a consistent opposition to such unions and its affiliates have implemented policies with the object of their demise. The third section, therefore, examines the life-cycles of breakaway unions. The fourth and fifth sections investigate the relationship between economic influences, internal union circumstances and merger intensity through an assessment of union financial stability and internal union politics.

**MERGER INTENSITY AMONG UNIONS OF DIFFERENT SIZE GROUPS**

The wave pattern for aggregate merger intensity was demonstrated in Figures 2.3, 2.4 and 2.5 for unions from different size groups. The plots illustrated that larger unions tend to be absorbed only during the wave periods of intense merger activity. Merger activity among smaller unions is more constant although increases in intensity are recorded during the merger waves. In other words, organisational instability among smaller unions is a more constant feature suggesting its sensitivity to regular fluctuation in the environmental influences.

Three size group categories were employed: unions organising 2,499 members or less, unions organising between 2,500 and 14,999 members and unions organising more than 15,000 members. For ease of reference these are referred to as Size Groups 1, 2 and 3 respectively.
Earlier evidence suggests that factors associated with merger activity among unions of different size exhibit dissimilarities. Smaller unions, for example, are generally more prone to organisational instability. Furthermore, the 'explosions' of union membership into different sectors of employment are associated with peaks in the formation rate of unions, thereby promoting the availability for merger of large numbers of organisationally unstable unions. Among the larger unions the achievement of political influence by means of increases in membership size is regarded as a primary influence upon merger activity, particularly during institutionalised industrial relations. Affecting all unions is the increasing professionalisation of bargaining, necessitating an extension of the servicing function to bargaining which implies that there is a membership threshold below which adequate servicing cannot be sustained. It has also been noted that merger intensity is most sensitive to economic influence during institutionalised industrial relations. The object of this section, therefore, is to develop the understanding of these themes by applying regression analysis to merger intensity among Size Groups 1, 2 and 3. The results are tabulated in Table 8.1.

It is apparent from Table 8.1 that the proportion of variance explained by the regression equations is inversely related to increasing size, suggesting that organisational influences play a more significant role in the merger process among larger unions. This result is consistent with earlier findings on the high intensity of merger activity among smaller, recently formed unions and implies that the larger the union the more complex the merger negotiations regarding the resolution of organisational differences. Additionally, the category of
variables included in the equations varies across size groups. For Size Group 1 predominantly economic and unionisation variables explain the variance in merger intensity. The included unionisation variables, moreover, relate to institutional form rather than directly to organisational stability/instability or membership saturation. The Trade Union (Amalgamation) Act 1964 is the only political variable entered. Even this relates strongly to institutional form in so far as it represents an easing in the institutional access to merger.

**TABLE 8.1**

**REGRESSION RESULTS, EXPLANATIONS OF MERGER INTENSITY AMONG DIFFERENT SIZED UNIONS FOR THE OPERATION OF INSTITUTIONALISED INDUSTRIAL RELATIONS; DEPENDENT VARIABLES, SIZE GROUPS 1, 2 AND 3**

**Size Group 1**

EQ. 1 0.239(COMER)* -0.532(PEAK)*** +0.454(ARW)*** +1.181(FORM)***

R² = 0.65
D-W = 2.01

EQ. 2 0.289(1964)** +0.254(BREAK)** +0.595(FORM)*** +0.356(ARW)***

R² = 0.66
D-W = 1.89

**Size Group 2**

EQ. 3 0.299(STCONC)*** -0.560(CON)** +0.395(RW)* -0.293(FORM)*** -0.689(MP)**

R² = 0.59
D-W = 1.82

EQ. 4 0.381(ARW)* +0.631(UDEN)***

R² = 0.34
D-W = 2.24

**Size Group 3**

EQ. 5 0.521(STCONC) -0.727(AMEM)***

R² = 0.29
D-W = 2.02

The three categories of environmental influences are equally represented in Equations 3 and 4 covering Size Group 2. For Size Group 3 no economic variables appear suggesting that there is a membership threshold above which membership size 'protects' organisational stability from adverse economic influences. This result is consistent
with the wave pattern of merger intensity among unions from Size Group 3 which were only found to be absorbed during merger waves. That is, organisational instability for such unions is not induced by short-term economic fluctuation.

**Size Group I**

The inclusion of the regressor PEAK in Equation 1 with a negative sign attached indicates that small unions are more stable during the boom of the business cycle. As employers are less resistant to union bargaining claims during business cycle booms, on the grounds that high rates of profit are recorded which employers do not wish disturbed, the PEAK regressor suggests that small unions are at their most effective in securing improvements in their members' economic circumstances during these booms thereby facilitating the retention of independence. Organisational stability would also be anticipated to be most secure during the peaks of the business cycle, as aggregate trade union membership is positively related to such peaks, reinforcing the capacity to retain organisational independence.

The relative bargaining position of small unions appears significant regarding their merger intensity in other respects as is indicated by the presence of the regressors ΔRW and COMER. The rate of change of real wages is positively related to merger intensity among unions in Size Group 1 and appears in both equations. This suggests that bargaining power and membership size are intimately related. When the bargaining power of other, presumably larger, unions is deployed to secure rapid increases in living standards, it would appear that small unions cannot compete in achieving similar increases and, therefore,
merge. Given that many of the smaller unions during the operation of institutionalised industrial relations were company based staff associations achieving a density of organisation comparable with other unions, albeit with a limited recruitment base, the nature of the relationship between relative bargaining power and merger intensity is not straightforward. Two possible explanations may be deployed. Firstly, the small size of these unions makes their bargaining position particularly sensitive to membership fluctuation. As the PEAK variable influences membership growth, its inclusion in Equation 1 in conjunction with the rate of change of real wages lends some support to this explanation. Had the rate of change of union membership been included the argument would, however, be more strongly supported.

The second explanation is based upon the bargaining status attained by the smaller unions. The inclusion in Equation 1 of the number of company mergers supports Buchanan's (1974:43) contention that such activity among companies particularly disturbs the bargaining relationships established by smaller unions. That this effect is most pronounced among smaller unions is evidenced by the non-appearance of the regressor COMER, representing the number of manufacturing company mergers, in Equations 3, 4 and 5 the dependent variables for which were unions in Size Groups 2 and 3. It would appear, therefore, that it is bargaining status and its protection that underlies the promotion of merger activity among unions in Size Group 1. It follows that it is not only bargaining power relative to that achieved by larger unions that is the sole stimulus of merger intensity in Size Group 1 but also bargaining power relative to that of companies. This would again appear to call into question the validity of the Undy et al. (1981:203-214)
aggressive merger category whereby large unions absorb small unions on
the initiative of the former to expand their recruitment bases. The
results presented above suggest that the initiative may lie with the
smaller unions which pursue mergers in order to retain bargaining
status.

The significance and positive signs attached to the economic
variables provide support to the institutionalisation thesis in that the
direct impact of economic factors is marked during the operation of
institutionalised industrial relations. Further support is lent to this
thesis by the inclusion of the formation rate in Equation 1 and its
combined inclusion with the breakaway rate in Equation 2. In terms of
the Beta coefficients, the formation rate is the most influential of the
factors promoting merger intensity in Size Group 1. Chapter 6 showed
that recently formed unions were predominantly absorbed into existing
unions during Wave II. Given the propositions associated with the
economic variables, it would appear that the newly formed small unions
seek the support of their larger counterparts to attain or retain
bargaining status. A further factor impelling such unions towards merger
may lie in the TUC's policy preventing their affiliation if their
recruitment bases overlap with that of an existing affiliate. If this
overlap does occur, it implies that the larger unions do not expand
their recruitment base in acquiring the recently formed unions. This
would again point to the initiative for such mergers lying within the
smaller unions.

The appearance of the breakaway rate in Equation 2 provides further
support to the TUC exclusion policy affecting mergers as the TUC has
repeatedly confirmed its hostility to breakaway organisations. A more
detailed examination of the life-cycles of breakaway unions is included in a following section to this chapter.

Further support to both the institutionalisation thesis and the centrality of the attainment of bargaining status by smaller unions is provided by the inclusion in Equation 2 of the impact of the Trade Union (Amalgamation) Act 1964. In Chapter 6 it was pointed out that this legislation arose from a TUC initiative. That is, its introduction was heavily influenced by larger unions which have a marked impact upon TUC policy formulation. A reason provided by the TUC for its initiative was the desire to reduce the multiplicity of unions. Given the increasing professionalisation of bargaining, some smaller unions may have been spurred to merge due to an internal inability to service the bargaining function, the TUC setting the institutional circumstances whereby such mergers are facilitated. Benefits also accrue to the larger unions from such mergers in so far as they eliminate competition.

Size Group 2

The inclusion in Equations 3 and 4 of the level of real wages and the rate of change of real wages suggests that the failure to attain adequate bargaining strength is a primary stimulus to merger among unions organising between 2,500 and 14,999 members. In other words, during the operation of institutionalised industrial relations a membership of up to 14,999 is not sufficient to maintain improvement in the economic circumstances of those members and service the bargaining function. The positive influence upon merger intensity in Size Group 2 of an increasing level of union density points to the significance of inter-union competition. Two aspects of such competition may be central.
Firstly, larger unions may secure higher increases in wages and benefits than secured by unions in Size Group 2 thereby stimulating the membership from the latter to adopt merger as a strategy to secure similar increases. This explanation is supported by the inclusion of the regressors RV and ΔRV. Secondly, the rising saturation effect may promote the absorption of unions in Size Group 2 as a means to expand recruitment bases. The increasing diversifying proportion of the merger process evidenced in Chapter 5 lends some support to this explanation.

The presence of the formation rate as a inhibitor of merger intensity in Size Group 2 indicates that recently formed unions are absorbed in preference to those organising between 2,500 and 14,999 members. Again two principal explanations may be deployed. Firstly, recently formed unions may be 'nipped in the bud' in order that they do not establish a broad enough recruitment base to constitute a competitive threat to their larger contemporaries. Secondly, it may be that difficulty of merger negotiations is inversely related to size. Newly formed unions are absorbed in preference to those from Size Group 2 because the acquiring union would not have to make bargaining concessions within their existing organisational framework. For example, a union from Size Group 2 is likely to have full-time officers, an administrative apparatus and a political perspective which would have to be accommodated by the acquiring union. In other words, the organisational influences constitute a larger obstacle to merger the more established the absorbed union.

An increasing number of trade union sponsored MPs leads to the suppression of merger activity among unions in Size Group 2. This result fulfills theoretical expectations in so far as the greater institutional
acceptance of trade unions the more pronounced is organisational stability and the less likely are larger unions to pursue merger as an active policy. The presence of the regressor MP in Equation 3 and its omission from Equations 1 and 2 indicates that a size threshold exists with respect to organisational stability achieved through institutional acceptance.

The inverse relationship between the presence of a Conservative government and merger intensity among unions in Size Group 2 is a curious result as it runs counter to the aggregate equations presented in Table 4.5 where the regressor CON had a positive sign. In other words, for unions organising less than 15,000 members the relationship between the presence of a Conservative government and merger intensity during institutionalised industrial relations is similar to that between aggregate merger intensity and Conservative governments during the implementation of collective bargaining. Given the result associated with the regressor MP, it would appear that membership size and institutional acceptance are closely associated. Chapter 7 shows that organisational stability during the implementation of collective bargaining was a function of membership size. The positive relationship between the presence of a Conservative government and the dissolution rate seems to indicate that a political climate hostile to unionism induces organisational instability. It would appear, therefore, that such a climate inhibits merger activity among unions in Size Group 2 during the operation of institutionalised industrial relations. This, in turn, suggests that membership pressure towards merger is a principal influence upon merger intensity in Size Group 2. This would be consistent with the results for the regressors RW and ΔRW. A failure to
achieve improvements in the membership's economic circumstances promoting both a rank and file dissatisfaction with achievements attainable within existing organisational structures and an interest in merger as a means whereby improvements can be acquired.

The nature of this pressure from below towards merger may, however, relate specifically to the form of shop-floor organisation within unions of Size Group 2. For example, Brown and his colleagues (1981:62) discovered that shop steward organisation is 'almost as widespread as union recognition' and exists in '73 per cent of cases for manual workers and 34 per cent for non-manual'. It is less likely that smaller unions will be recognised by employers and, as Chapter 6 illustrates, merger activity among white-collar unions was marked during Wave II. It may well be, therefore, that the effect of a Conservative government upon membership pursuit of merger is compounded by the specific nature of shop floor organisation within those unions involved in the merger process.

The proportion of GNP constituted by state expenditure is the only political variable with a positive sign. This positive relationship suggests that increasing state control over distribution promotes the pursuit of larger memberships in order that larger unions may more strongly influence the priorities within this distribution. Clearly, the larger the union absorbed the more immediate the increases in membership size achieved. It should be noted that this argument cannot be regarded as providing a complete explanation, however, for the formation rate has a negative impact upon the absorption of unions from Size Group 2. As is mentioned earlier, this effect may be due to the ease with which organisational dissimilarities may be overcome during merger.
negotiations. In other words, increases in membership size may be most rapidly achieved through the absorption of recently formed unions. Alternatively, a recently formed union may constitute a higher potential for increases in membership size, their absorption being undertaken on this basis.

Size Group 3

No economic influences appear in Equation 5 suggesting that the bargaining climate does not have a direct effect upon the absorption of unions organising more than 15,000 members. This would seem to indicate the presence of a size threshold. Furthermore, the absence of economic factors runs counter to the tenets of the institutionalists from which a marked direct economic influence is anticipated. The inclusion of the rate of change of union membership does not, however, exclude the possibility that economic influence is indirect, being mediated through its effect upon membership growth.

The inverse relationship between the rate of change of union membership and merger intensity in Size Group 3 demonstrates that organisational stability is a function of membership increase. At least two explanations are available which are not mutually exclusive. Firstly, the loss of membership for unions organising more than 15,000 members may preclude such unions from adequately financing the servicing function to bargaining. This would again lend weight to Hyman's point regarding the increasing threshold of union solvency. Secondly, a loss of membership reduces the influence of larger unions at the TUC and Labour Party. Merger is, therefore, pursued to reverse this decline in influence. This explanation is also supported by the inclusion of the
regressor STCONC in Equation 5. In other words, membership decline in tandem with increasing state control over distribution promotes merging among larger unions. This would point towards the validity of Undy et al.'s (1981:215) suggestion that 'relative union size' is a determinant of merger activity. Whereas Undy et al. regard improvement in relative size as an object in its own right, it is apparent from the inclusion of the regressor STCONC that improvements in relative size are more usefully viewed as a means to an end: namely, enhanced political influence.

Emergent Themes

The aggregate equations presented in Table 4.5 clearly disguise variation in the impact of the environmental influences upon merger intensity between unions from different size groups. The association between economic factors and merger intensity among unions from Size Groups 1 and 2 is consistent with the expectations from institutionalisation theory. The pronounced effect of unionisation and political influences on merger activity among larger unions, however, runs counter to expectations from institutionalisation theory. This suggests that membership size is a crucial determinant of organisational stability and that additional determining factors depend upon the membership size attained by the particular union. In turn, this implies that an aggregate theory such as institutionalisation is misconceived in so far as it fails to take into account the dynamics inherent within trade union structure; in particular, the emergence of new organisations.
The direct economic influence upon merger intensity among smaller unions suggests that the achievement of a secure bargaining position, in relation to both other unions and employers, is the primary object of such unions. With larger unions the achievement of political influence is paramount. Additionally, the support of membership bargaining services is important, their provision being dependent upon the maintenance of a 'viable growth policy'. The absence of direct economic influence upon merger activity among the larger unions indicates the presence of a size threshold above which organisational stability is cushioned from the adverse effects of economic fluctuation. A further size threshold would appear to apply to the achievement of bargaining objectives through political influence.

**Dissolutions: The Decline of Organisational Stability**

Figure 2.7 identified a single dissolution wave occurring during the operation of institutionalised industrial relations: between 1973 and 1980 112 unions dissolved. This dissolution wave is largely concurrent with the formation wave earlier associated with the spread of unionism into technical, scientific and service occupations. It is also contemporary with the second principal merger wave, suggesting that this period is associated with a high degree of organisational instability. Between 1973 and 1980 aggregate trade union membership increased by 15.3 per cent although a decline was recorded for the final two years of the period. It is unlikely, therefore, that organisational instability arising from membership decline is a primary factor stimulating dissolutions. Throughout the dissolution wave the rate of economic
growth continued to decline with a consequent slowing in the improvement of living standards.

**Regression Results**

Table 8.2 includes two equations illustrating the association between the dissolution rate and the environmental influences. Equation 1 shows that high inflation is related to increases in the dissolution rate. This confirms Buchanan's (1981:43) assertion that 'rapidly rising prices... tend to create financial difficulties for small unions, make the size and efficiency of large unions more important and may also emphasise the need to protect living standards by a powerful union negotiating with employers or government'. The relatively weak bargaining position of small unions no doubt exacerbates organisational instability among such unions. The results recorded in Equation 1 confirm those presented in Table 8.1 in that organisational instability and economic influences are intimately related among small unions during the operation of institutionalised industrial relations. In combination these results provide some support for the institutionalisation thesis regarding the importance of the economic influences.

**TABLE 8.2**

**REGRESSION RESULTS: EXPLANATIONS FOR THE DISSOLUTION RATE DURING THE OPERATION OF INSTITUTIONALISED INDUSTRIAL RELATIONS.**

**DEPENDENT VARIABLE: DISSOLUTION RATE**

<table>
<thead>
<tr>
<th>Equation</th>
<th>Coefficient (Variable)</th>
<th>R²</th>
<th>D-W</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQ. 1</td>
<td>0.680(ΔP)*** +0.059(TREND)</td>
<td>0.48</td>
<td>2.30</td>
</tr>
<tr>
<td>EQ. 2</td>
<td>0.806(FORM)*** -0.141(TREND)</td>
<td>0.49</td>
<td>2.32</td>
</tr>
</tbody>
</table>
Comparison of Tables 7.1 and 8.2 reveals that the factors inducing organisational instability vary between the implementation of collective bargaining and institutionalised industrial relations. The sensitivity of organisational stability to political factors during the former period is not reproduced during the latter. Furthermore, whereas a decline in the rate of change of union membership was the unionisation influence promoting organisational instability during the implementation of collective bargaining, it was organisational appearance, the formation rate, that was more central during institutionalised industrial relations. This difference supports the contention advanced in Chapter 6 that the threat of inter-union competition stimulates larger unions to instigate policies through the TUC that promote organisational instability in smaller unions during institutionalised industrial relations. In contrast, organisational instability during the implementation of collective bargaining appears to be more independent of policies enacted internally to the trade union movement.

Life Cycles of the Dissolving Unions

Figure 8.1 shows that 31 unions formed between 1970 and 1979 dissolved during the largely concurrent dissolution wave constituting 27.7 per cent of the total number of dissolving unions. As for both dissolution waves occurring during the implementation of collective bargaining, the recently formed unions were most numerous in dissolving. Irrespective of institutional setting, therefore, recently formed unions are the most unstable although, as is shown by a comparison of Tables 7.1 and 8.2, the source of this instability clearly differs.
Figure 8.1

Formation dates of unions dissolving, 1973-1980

7 missing values
Unlike its predecessors, the 1973-80 dissolution wave exhibits no tendency towards an inverse relationship between age and the number of dissolving unions. Indeed 24, 21.4 per cent, of the dissolving unions were formed during the nineteenth century, further suggesting a divergence in causality between dissolution waves as these unions had clearly survived those pressures inducing organisational instability during the earlier waves. A further divergence in the life cycles of the unions dissolving between 1973 and 1980 and the earlier dissolution waves is evidenced by Figure 8.2. The mean survival time of unions during the third dissolution wave was 41.5 years whereas that for the first was 10.5 years and the second 9.7 years. It would appear, therefore, that while many recently formed unions rapidly dissolved because of their inherent organisational instability the factors inducing such instability in other unions were widespread in so far as they affected unions across a broad age range.

The industrial dispersion of dissolving unions between 1973 and 1980, illustrated in Figure 8.3, also exhibits a divergent pattern from its predecessors. Thirty-six of the dissolving unions organised in local government, health and education with a further 11 from banking, insurance and finance, representing the extension of unionism into the occupations represented within these industries. Forty-four of the dissolving unions organised from within manufacturing of which 13 were in engineering and 16 in cotton. The average age of the dissolving unions from engineering was 42.2 years whereas that of those organising in cotton was 77.2 years, indicating that the federal forms adopted by the cotton unions allowed for relatively longer survival times. By comparison, the average age of dissolving unions from banking, insurance

MEAN SURVIVAL TIME OF DISSOLVING UNIONS

Figure 8.3  
Unions dissolved during the dissolution wave 1978-1982 by the industry from which they recruited.

Where numbers 1 to 30 refer to industrial classification detailed on Figure 7.4.

9 missing values.
and finance was a mere 17.2 years suggesting that unionism was a more recent phenomenon in this industry.

**Developing the Themes**

High inflation and the presence of large numbers of recently formed unions are associated with increases in the dissolution rate. Given that dissolution is an end-point on an organisational stability-instability continuum the association between high inflation and dissolutions confirms the regression results for merger intensity among smaller unions where economic factors were dominant. Similarly, the appearance of the regressor FORM in the equation for merger intensity among Size Group 1 unions and the equations for the dissolution rate points to the inherent organisational instability of recently formed unions. The longer mean survival times of dissolving unions during the operation of institutionalised industrial relations, however, points to the institutional setting within which unionism functions as influencing organisational stability. That this institutional setting and trade union structure are in continual flux is evidenced by the different industrial dispersion of dissolving unions between 1973 and 1980 by comparison with earlier dissolution waves.

**BREAKAWAYS**

Lerner (1961) and Hemingway (1978) unearthed a variety of factors which promoted the formation of breakaway unions. Predominant among these were the inability of the members that broke away to secure adequate representation within the unions' democratic structures. In the main, breakaways were found to be based upon a particular craft or
occupation, or upon a geographical locality, and, albeit to different degrees, were regarded as a revolt against internal union centralisation. Chapter 6 showed that a principal feature of the period of institutionalised industrial relations was a centralisation of authority within the trade union movement enacted primarily through the auspices of the TUC. Lerner (1961) records the widespread hostility within established unions towards breakaways reflected in terms of the refusal to accept the breakaway organisation into TUC affiliation and the exclusion of breakaway union representatives from the trade union 'sides' of negotiating committees. It follows, therefore, that while the initial breakaway constitutes a revolt against internal union centralisation the subsequent maintenance of the breakaway's independence represents organisational consolidation in the face of institutional centralisation. Hence the attainment of organisational stability for breakaway unions is particularly fraught.

That breakaway unions are unable to sustain organisational stability is evidenced by the appearance of the regressor BREAK in both Equation 2, Table 4.5 for aggregate merger intensity and Equation 2, Table 8.1 for merger intensity among unions in Size Group 1. Pronounced organisational instability among breakaway unions is also illustrated by reference to Table 8.3 showing the life cycles of such unions. Of the 27 breakaway unions emerging during institutionalised industrial relations, 15 dissolved, 8 merged and 4 retained their independence in 1979. The average survival time of the breakaway unions that died was 8.0 years, with that for those that dissolved being 8.4 years and for those that merged 7.1 years. Given that the mean survival time for all dissolving unions is 41.5 years, it is apparent that the impact of active trade
union hostility towards breakaways has a marked limiting effect upon their survival times.

Accepting the argument advanced by Lerner and Hemingway that breakaways represent a revolt against internal union centralisation, it is also apparent that the failure to attain organisational stability limits the capacity to resist incorporation within a centralised structure. For example, four of the eight breakaway unions that merged rejoined the union from which they originally broke away and 2 breakaways transferred their allegiance from one of the ten largest unions to another.

**TABLE 8.3**

<table>
<thead>
<tr>
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A further breakaway left one major civil service union to later rejoin another. As civil service unions recruit from within a specific section of the civil service occupational hierarchy, the transfer may have been undertaken to maintain status within this hierarchy. A final breakaway became the acquiring union in a subsequent merger unifying three unions organising civil service draughtsmen, again suggesting an occupational basis to the breakaway. This single union would, however, appear to be the only breakaway that achieved a fundamental change in the extent of its independence with respect to trade union structure. This is not to invalidate Lerner and Hemingway's initial argument. The breakaway transferring to the TGWU may have achieved greater autonomy within its trade group structure. Similarly, the breakaway joining the AEU from the regionally based NUGHW, the Glass and General Workers' Union, had left the former following a lengthy and acrimonious dispute.
which had strained intra-union relations beyond the point of no return (Lane and Roberts, 1971).

A trade union merger, by definition, leads to a centralisation of membership within the authority of a single executive. Similarly, heterogeneity of membership is likely to increase when unions merge. Both these factors are regarded by Lerner and Hemingway as promoting breakaways. It follows, therefore, that the inclusion of the regressor \( \text{BREAK} \) in the equations mentioned above may arise not only because it represents a supply of organisationally unstable unions but also because merger may be a promoting influence to breakaways. Little support is available for this hypothesis. Reference to the formation dates of the unions from which the breakaways emerged, reveals that only three breakaways took place within ten years of this formation date. In these three cases, however, the union broken away from was formed by merger. It would appear, therefore, that the influence of breakaways upon merger activity arises primarily from the organisational instability of such unions founded upon the opposition to breakaways from within trade unionism as a whole.

\[ \text{TRADE UNION FINANCIAL STABILITY} \]

Table 8.4 shows the pattern in union finances on an annual basis for the period of the operation of institutionalised industrial relations. Total funds increased annually between 1946 and 1950, fluctuated between 1951 and 1954 before falling during the years to 1957. Indeed, by 1957 the level of union funds had fallen to below that attained by 1947. A further period during which total funds steadily increased was 1958 to 1967, although a slight decline was recorded
during 1966. This decline presaged a period of financial decline stretching from 1968 to 1979. In short, during the course of the second merger wave, 1966-83, the level of total union funds diminished. Chapter 4 established that the regressor FUNDS did not add to the explanatory power of the economic variables. It is reasonable to assume, therefore, that this diminution in the level of union funds is closely associated with economic factors.

The expenditure/contribution ratio was low during the initial post-war years of Labour government rising sharply with the election of the Conservatives in 1951. This high level in the expenditure/contribution ratio was maintained throughout the period of the operation of institutionalised industrial relations. While remaining high, however, there are marked fluctuations in the expenditure/contribution ratio.

### Table 8.4

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<th>Average Contribution</th>
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<th>Ratio 3/1</th>
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Between 1957 and 1959, three years of Cronin's (1979:48) first post-war strike wave, the ratio had a value greater than one hundred. Similarly, the expenditure/contribution ratio was greater than one hundred for 1968-70, the years for which financial data are available that coincide with the second of the post-war strike waves.

Between 1966 and 1979 there were only two years for which contributions were greater than expenditure. Given that these years are all coincidental with the second merger wave, the data point to immediate cash flow issues promoting a diminution of accumulated funds.
which, in turn, impinge upon the merger process. This point is supported by the regression results presented in Chapter 4 in so far as the expenditure/contribution ratio is clearly closely associated with economic variation. It is also apparent that financial stringency among unions is concurrent with the dissolution wave. The impact of high inflation upon the dissolution rate also points to the strong effect of economic factors on organisational instability.

The Labour governments of 1945-51 'created a system of universally available social insurance, which provided guaranteed minimum incomes and provisions to those subject to unemployment, ill-health, industrial accidents, disablement, infirmity and old-age' (Coates, 1975: 46). The introduction of these provisions is reflected in the lower proportion of total expenditure spent on unemployment and provident benefits during institutionalised industrial relations than during the implementation of collective bargaining. Moreover, as a proportion of total expenditure, the cost of unemployment and provident benefits steadily declined throughout suggesting that the introduction of further state benefits acted to reduce proportionately this aspect of union expenditure. Latta (1972: 402) suggests that this decline is also, in part, attributable to union policy regarding superannuation which 'in 1960 accounted for 38 per cent of total benefits paid, in 1970 only 19 per cent'. In cash terms, however, this component of expenditure increased. This cash increase is partially accounted for by some of the larger unions broadening their range of benefits during the early 1960s. For example, Latta (1972: 404) reports that the GMWU established a sick and accident benefit scheme only in 1962.
The proportion of expenditure spent on dispute benefit is also markedly lower during institutionalised industrial relations than the average for the implementation of collective bargaining. Throughout the later period this component of expenditure was more than 7 per cent of total expenditure only in 1957 and 1959. Both of these years fall within the strike wave identified by Cronin. The high proportion of expenditure spent on dispute benefit is likely to account for the high expenditure/contribution ratio and reflects the increase in the number of official strikes called during the wave. There was no corresponding proportional increase in dispute benefit expenditure during the second of the strike waves dated by Cronin for 1968-72 although high money expenditure on dispute benefit was recorded for 1968-79. Given Edwards' (1982:18) finding that the 'official national strike... has continued to play a small role' in aggregate strike activity throughout the 1970s, it must be assumed that these money increases in dispute benefit expenditure are due to an increased proportion of local disputes being declared official.

During the implementation of collective bargaining, administrative costs were assumed to form a substantial proportion of 'other costs'. This assumption is also made for the operation of institutionalised industrial relations. Between 1950 and 1970 proportional expenditure on other costs remained fairly stable, the fluctuations arguably arising from variation in the other components of union expenditure. After 1975, however, proportional expenditure on other costs increased substantially. This increase may have occurred earlier but data unavailability for 1971-74 precludes the precise dating of the rapid increase.' Regardless of data problems it is apparent that the
substantial rise in the proportion of total union expenditure allocated to other costs is concurrent with the merger wave 1966-83.

The regression results presented in Table 8.5 support the expectations derived from the preceding review. Expenditure on dispute benefit was inversely associated with merger intensity. Furthermore, the association was not significant. In other words, strike activity did not promote mergers through its impact upon union financial stability. A similar relationship is evidenced for expenditure on provident and unemployment benefits, confirming the notion that the introduction of state welfare schemes reduced the impact of this component of expenditure on union financial viability during the operation of institutionalised industrial relations.

### TABLE 8.5

**REGRESSION RESULT, UNION EXPENDITURE AND MERGER ACTIVITY**

**DURING THE OPERATION OF INSTITUTIONALISED INDUSTRIAL RELATIONS.**

**DEPENDENT VARIABLE, MERGER INTENSITY.**

\[-0.105 \text{(DB)} -0.063 \text{(PBUB)} +0.666 \text{(OTHER)}\]

\[R^2 = 0.39\]

\[D-W = 1.20\]

where DB : union expenditure on dispute benefit

OTHER : union expenditure on other costs

PBUB : union expenditure on provident and unemployment benefits

The three regressors are expressed in real terms. That is, they are corrected for changes in the retail price index.
The positive and significant relationship between merger intensity and expenditure on other costs indicates that rising administrative expenses acted to stimulate merger activity. Two principal reasons can be deployed regarding this association. Firstly, Latta (1972:404) comments that 'with the exception of the NGA, because of its policy on superannuation payments, ... all amalgamations in the 1960s have led to higher expenditure relative to income than the two (or more) merging unions had separately. The need to protect the employment position of officials is an obvious factor in this'. Brooks and Gamm (1976) drew similar conclusions from their review of post-merger American union expenditure which they found to be higher than combined pre-merger expenditure. The point here is that the rise in other costs can be attributed to the merger process itself. The large diversifying proportion of merger activity during the second merger wave lends support to this explanation. Diversification in recruitment bases necessitates the acquisition of negotiating expertise in 'new' areas of organisation for the absorbing union. The retention of full-time officers from the absorbed unions as a means of acquiring such expertise may, therefore, account for the rise in post-merger expenditure and other costs in particular.

This explanation is based purely upon the merger process. That is, it is the cause and the rise in other costs is the effect. Several findings presented earlier in this study suggest that a more complex process forms the basis of the explanation. For example, the level of funds per member added no explanatory power to the economic variables which were at their most effective in accounting for the variance in merger intensity during the operation of institutionalised industrial
relations. This would suggest, therefore, that there was an economic underpinning to merger activity. The rise in other costs within the terms of this second explanation may be either cause or effect. The rise may be assigned to the professionalisation of bargaining procedures, requiring an enhanced level of administrative support. Hence unions merge because they cannot afford to meet increases in administrative costs. During the implementation of collective bargaining the combined effect of economic and political influences promoted organisational instability and, thereby, merger activity within certain craft oriented unions through their impact on workshop organisation. Merger activity in this context is a policy whereby trade union officials may re-establish authority within unions. If a similar process were to have occurred during the operation of institutionalised industrial relations, the rise in administrative costs could again be reasonably viewed as an intervening factor. The increases, for example, could be attributed to the higher costs of absorbing workshop organisation into existing trade union structures. Merger in this setting has two purposes. Firstly, to increase financial reserves thereby providing a more secure financial basis to the absorption of workshop organisation and, secondly, to ameliorate the contradictions between workshop organisation and the more sectional national organisation. These explanations are not mutually exclusive. They are examined in the next section, the object of which is to elaborate the nature of the impact of the economic influences upon the merger process.
Chapter 6 examined those influences 'external' to trade unions that promoted the pursuit of merger as a policy choice by trade union leaderships. Political influence, achieved by means of membership size and through the agencies of the TUC and Labour Party, was found to be the dominant perspective. Stability within political relationships was established as being essential to their efficient functioning. By comparison with merger Wave I, internal mechanisms of ensuring such stability were more pronounced during Wave II. For example, newly formed unions tended to be absorbed into existing structures during Wave II and the TUC policy to restrict affiliation of such organisations limited their capacity to achieve organisational stability. Political factionalism within both the TUC and Labour Party acted to promote mergers as union leaderships sought to influence policy formulation in a direction consistent with their own political perspectives. The previous section showed a significant increase in other costs concurrent with Wave II. The purpose of this section is, therefore, to explain this increase and examine how it relates to merger intensity within the confines of these political relationships.

Pollard (1969: 101-15) has indicated that the inter-war depression stimulated a process of re-education among the trade union leadership. No doubt assisted by the increased professionalisation of services provided by the TUC, interest became focused on policies directed towards full employment with the accompanying acknowledgement that the influence of the City, Treasury and Civil Service over economic policy
should be reduced. Hobsbawm (1964:330) reports a change in consciousness at the base of the trade union movement. Simultaneous with these attitudinal changes, the depression also promoted a gradual industrial transformation with expanding new industries based upon automobiles, chemicals, electronics and synthetic fibres which presented different problems for trade union organisation as such industries were founded upon mass production techniques.

Significant institutional innovations were also introduced. At the Bridlington TUC Congress, held in 1939, recruitment boundaries of affiliates were defined. During World War II the (usually) factory based Joint Production Committees (JPCs) were established with the agreement of management. These constituted an institutional acceptance of workshop trade union organisation. 'By June 1944 over 4,500 JPCs had been set up covering 3½ million workers in factories throughout Britain' (Jeffreys, 1979:12). Although employers disbanded the JPCs after the war, their demise was not accompanied by that of shopfloor trade unionism which, based on shop stewards committees, 'had arrived for good'.

The election of the Attlee government in 1945 allowed for the continuation of the wartime close working arrangements between government and the higher echelons of trade union officialdom. The fulfilment of electoral promises in terms of the establishment of the National Health Service, the nationalisation of a substantial proportion of the economy and the extension of compulsory education dampened resistance to what Jeffreys (1979:16) describes as the significant cut in the workers' share of the national product which occurred between 1945 and 1950. In tandem with and, partially accounting for, the emergence of the state as a major employer was the failure of private
Figure 8.4

The graph illustrates the relationship between strike frequency and union membership. The data points show a significant increase in strike frequency as union membership grows, highlighting the importance of collective bargaining in preventing industrial strife.
capital to re-structure with the result that from the mid-1950s Britain suffered a relative decline by comparison with international competitors. The post-war expansion, however, allowed for absolute growth within the British economy promoting a heightening of economic expectations.

Within these long-term trends there was a degree of short-term fluctuation. Unemployment peaked in 1946 at 1.9 per cent and remained minimal throughout the 1950s and early 1960s. Real wages declined during the two post-war Labour administrations but after 1951 began to increase. Figure 8.4 shows that trade union membership increased relatively sharply prior to 1950 and then very steadily until the late 1960s. Between 1946 and 1968 a total increase in trade union membership of 1,143,000 is recorded. Manual trade union membership fell by 14,100, however, whereas white-collar membership rose by 1,156,000, reflecting the changing patterns of employment and, in particular, the growth of unionism in local government, health and education and in banking, insurance and finance.

Cronin (1979:139) characterises 1957 to 1962 as the first of two strike waves occurring during the operation of institutionalised industrial relations. The strikes were, in the main, small-scale and unofficial suggesting that workshop organisation acted as a catalytic force in their instigation. The strike wave, however, had a firm economic underpinning in the 'stop-go' character of contemporary economic growth. Cronin (1979:141) draws upon Runciman's work on social deprivation in concluding that during the strike wave 'frames of reference remained limited in scope, and there is little evidence... of any so-called revolution of rising expectations'. This factor may
account for the low level of merger activity prevalent during this period, although it should be noted that 1962 marked the first year in the upturn in merger intensity which developed into the merger wave of 1966-83. Between 1964 and 1968 real wages stagnated, yet strike frequency continued to decline. Merger intensity continued to rise, a process no doubt assisted by the enactment of the Trade Union (Amalgamation) Act 1964 by the Conservative government after lobbying by the TUC and with the agreement of employers' organisations.

1968-1979

Accompanying the 1967 devaluation of the pound was a surge in prices which induced the 'pay explosion' of the following years. Cronin (1979:48) dates the concurrent strike wave as 1968-72 but, as is indicated in Figure 8.4, a later termination date would appear to be more appropriate. The strikes were conducted in defense of living standards on the recognition of the slowing down of the rate of economic growth. Both official and unofficial strikes took place. Furthermore, as Jeffc(ys (1979:23) comments, some of the unofficial strikes 'proved that action in one part of an industry like the motor industry with its highly inter-dependent processes could have a national impact'. Jackson et al. (1975:89-95) report that the high inflation of the period acted to squeeze differentials thereby amplifying the extent of strike activity. Unlike the 1957-62 strike wave, however, the later wave was accompanied by a widening of 'orbits of comparison' (Phelps-Brown,1975:17-20). In other words, not only did unofficial strike activity attain a national status but it was also established on the
basis of a broadening of the extent of co-ordination between work groups.

This period also saw a steepening in the rate of increase of both trade union membership and merger intensity. Between 1968 and 1974 total membership rose by 15.3 per cent from 9,746,000 to 11,235,000. Within this aggregate trend manual trade union membership increased by 6.7 per cent, a figure surpassed by that recorded for white-collar membership which rose by 33.6 per cent. While these membership increases were a source of organisational stability through membership contributions, there were significant differences with respect to the notion of bargaining strength by comparison with earlier periods of membership growth. Throughout the 1970s employers, in conjunction with union officials, promoted union organisation by allowing the expansion of the closed shop. In other words, to a degree, unionisation was promoted from above rather than arising from below. Dunn and Gennard (1984:145) report that the 'closed shop population reached a peak in the late 1970s'. As Hyman (1980:71) comments, however, 'union membership recruited on this basis need not represent collective organisation in any meaningful sense'.

Glyn and Sutcliffe (1972) have argued that the years of the Wilson administration, 1964-69, were marked by a re-direction of the thrust of government economic policy away from the City of London towards the interests of industry. The Redundancy Payments Act 1965, the publication of In Place of Strife, incomes policies and the appointment of the Donovan Commission were explicit indicators of this shift in policy, reflecting the centrality assigned by the Labour government to the reform of workplace industrial relations. 'Reform and restriction' were
also the central themes of the Industrial Relations Act 1971 enacted under the following Heath administration (Lewis, 1983: 370). In promoting the registration of staff associations as trade unions, the Industrial Relations Act provided an indirect stimulus to merger activity. Existing unions viewed these recently registered unions as competitors for membership and as a means whereby their recruitment bases may be extended.

Friedman (1977: 78) argues that 'responsible autonomy' was the prevalent managerial strategy until the end of the 1960s. Within management-defined limits, workers were afforded a degree of autonomy thereby reducing workplace conflict and facilitating autonomy. Such an approach is typically associated with the involvement of shop stewards in negotiating piecework rates. The vilification of the Bullock Committee's findings by employers demonstrates the limits which managements were prepared to tolerate. As a result of the close contact between shop stewards and those they represent coupled with prevailing managerial strategies, Beynon (1973) argues that 'factory consciousness' became the dominant outlook. Re-inforced by the 'rediscovery of the cash nexus' the membership emphasis upon the improvement of their economic circumstances acted to separate them further from their full-time officials. Furthermore, this isolation curtailed membership interest in the promotion of union reform. For example, Cronin (1979: 214) reports that only 4.5 per cent of the 14,125 strikes between 1968 and 1972 were called over 'trade union status'.

The numerical development of shop stewards is traced by Terry (1983:67-68) who puts their number at 90,000 in 1961, 175,000 in 1968 and more than 250,000 in 1978. Coupled with this numerical increase was a spread in their industrial dispersion. Initially concentrated in engineering, shop steward organisation had spread 'to engineering and associated industries' with 'significant increases in other areas, especially in distributive and service occupations' by 1968. This expansion continued throughout the 1970s by the end of which shop stewards 'were all but universal among manual workforces with more than 100 workers'. Additionally, in both public and private service sectors shop steward organisation developed although not to the same extent as in manufacturing.

Coupled to this numerical proliferation is a shift in the nature of workshop organisation, a shift accentuated following the publication of the Donovan Report in 1968. Of the 'two systems' of industrial relations identified by Donovan, it was that located within the plant which was viewed as the source of 'anarchy and disorder'. Specifically, four aspects of the 'informal' system were regarded as problematic: the 'direct democracy' of the relationship between shop stewards and those they represented, the independence of shop stewards from full-time union officials which was exacerbated as a 'problem' by the multi-union composition of joint shop steward committees, the inadequacy of systems of managerial control arising from the lack of intervention by senior management and the phenomenon of 'wages drift' with the associated involvement of shop stewards in issues of job control or 'restrictive practices'. While these aspects of shop steward organisation have tended
to be exaggerated to the neglect of countervailing tendencies the
central point is that shop steward organisation was defined as an
industrial relations 'problem' and, therefore, an object of reform.

Terry (1983: 85) argues that 'the changes in shop steward
organisation and coverage over the past decade can best be understood in
the context of managerial and state responses to a crisis of
profitability, seen in part as emanating from the shopfloor challenge to
managerial control over labour costs and the labour process'. From
managements' perspective, the turn into the downswing of the economic
long cycle around 1968 brought with it a 'crisis of profitability' as
internationally relatively slow rates of economic growth further
declined. Hannah (1983: 178) reports that throughout the 1960s and 1970s
company restructuring by merger activity with the object of improving
productivity through economies of scale was pronounced. As a consequence
tighter company financial controls were introduced (Beynon and
Wainwright, 1979: 31-43 and 63-72) and, as part of this strategy, single
employer multi-plant bargaining. Integral to this approach was the
formalisation of both negotiating and disciplinary procedures at plant
and company level (Hyman, 1979: 57), more widespread use of work study and
job evaluation techniques (Brown, 1981: 110-14), alterations in methods
of payment usually characterised by a diminution in the scope of
piecework to be replaced by productivity bargaining and measured day
work (Jeffkys, 1979: 21), and the extension of plant and group bonus
schemes (Terry, 1983: 80).

At around the time of the publication of the Donovan Report
profitability was also defined as a political issue, the strategies
instigated by the state constituting the second spur to realignment
within work shop organisation. The incomes policies of the late 1960s attempted to restrict the tendency towards wages drift although Clegg (1971:62-64; reported in Terry,1983:83) suggests that they were 'in part frustrated by the autonomous strength of shop steward organisations'. The direct legislative assault upon the bargaining power and autonomy of shop steward organisation, enshrined within the Industrial Relations Act 1971, united both the official and unofficial sections of trade unionism in opposition and proved similarly ineffective.

As was discussed in Chapter 6, the Labour governments of 1974-79 retained the support of official unionism yet still maintained a policy directed towards shop floor reform. The Health and Safety at Work and Trade Union and Labour Relations Acts of 1974 promoted the integration of shop steward organisation both within established union organisation and the more formalised management negotiating structures. Health and safety committees and provisions covering unfair dismissal, time-off for union education, the four fold increase in the number of full-time shop stewards (Brown,1981:65-67) and the 'centralisation of control within stewards organisations' (Hyman,1979:57) are all evidence of the enhanced formalisation established within workshop organisation. The 'success' of this policy is evidenced by Brown (1980) in arguing that the Social Contract was operable due to the degree of collaboration between senior stewards and convenors and full-time officials.

The impetus provided by both management and state initiative was institutionally consolidated within trade union structures. Hyman comments that

in some cases, employers themselves took the initiative in providing recognition facilities and 'training' for workplace representatives. In others, shop steward organisation was 'sponsored' by national union leaderships: at times
anxious to collaborate with such managerial strategies, at times motivated by a genuine interest in greater membership involvement in union affairs, at times alarmed by the militant revolts against national negotiators which were a feature of the late 1960s and early 1970s (1979: 59).

Integration between shop stewards and formal trade union structures was implemented by means of rulebook-defined rights and obligations for workplace representatives and the provision of places on national negotiating committees. This integration was facilitated by the establishment of a hierarchy within steward organisation, the immediate consequence of which is characterised by Terry (1983) as a shift from direct democracy to representative democracy within such organisation.

Of course, these factors in combination impinged upon the financial status of unionism and are influential in accounting for the burgeoning of 'other costs' during the 1970s as is evidenced in Table 8.4. Several trends can be discerned. The establishment and/or increased staffing of bargaining support departments - research, legal, health and safety - within unions to service both the increased professionalisation and specialisation within bargaining and the more widespread demands for such services arising from the integration of workshop representatives. Similarly, the provision of education and training services has become more widespread. Rather than focusing upon the mobilisation of the membership, the courses provided have tended to emphasise the acquisition of bargaining skills and techniques further consolidating the tendencies mentioned above. Furthermore, the published output of trade unions in terms of conference papers, bargaining briefs and negotiating handbooks is rising thereby imposing further financial outlay. Additionally, the integration of the shop stewards network within the structures of official trade unionism has necessitated the
provision of transport costs in order to ensure attendance at the various bargaining committees whether they be national or regional. For example, Lane graphically makes the point that

the move towards company bargaining with shop steward participation has gained a new clientele for the British Rail breakfast as shopfloor representatives have sat cheek by jowl with managers on their way to London. Symbolic too has been the TGWU's purchase of a London hotel to reduce the expenses of shop stewards and other delegates on overnight stays in the capital (1982:13).

The development of shop steward organisation during the operation of institutionalised industrial relations can, therefore, be seen to impinge upon the merger process. Shop stewards established an autonomy from official trade unionism which threatened the political status and stability nurtured by the trade union leadership. The threat posed by this autonomy was exacerbated by the multi-union character of workplace organisation which acted to inhibit effective control by outside union officials. However, the dominance of 'economism', 'the cash nexus' and 'factory consciousness' in shaping the ideology of shop floor organisation posed no direct threat to the authority of trade union leaders within their own organisations. In other words, unlike the shop stewards movement during the implementation of collective bargaining, which defined trade union structural reform as an explicit policy objective, the shop stewards of the 1960s and 1970s emphasised the improvement of the economic circumstances of their members, the autonomy of their organisation leading to a relative neglect of policies towards national union mergers. This was no doubt exacerbated by the failure of national wage bargaining to meet membership expectations as reflected by locally induced wages drift.
As a result of the perceived negative effect of workshop organisation on profitability, management and the state intervened to influence its character. The multiplication of autonomous bargaining centres also curtailed the capacity of trade union leaders to formulate national industrial policy on the understanding that they would be supported from within these bargaining centres. A third aspect of the policy directed towards the formal integration of workshop organisation was, therefore, established: namely, its formalisation within trade union structures. Mergers were an aspect of this policy. On the one hand they reduced the extent of shop floor multi-unionism thereby facilitating the re-establishment of external union authority over shop floor organisation. On the other hand, the added financial burden placed on union funds in pursuing the policy of integrating work shop organisation promoted mergers as a means whereby financial control could be further centralised. The accumulation of larger bodies of funds in merged unions eased the incorporation of the higher administrative costs arising from the integration policy. Of course, these higher costs induced in some unions a financial instability, providing a further impetus to merger as they sought to re-establish stability within the constitutional framework of a larger merged organisation.

CONCLUSION

This chapter has examined organisational instability within a variety of institutional contexts: namely, merger intensity among unions of different size, the dissolution rate and the life cycles of breakaway unions. The sensitivity of merger intensity to direct economic influences was inversely related to union membership size, unions from
Size Group 1 being most influenced. Political and unionisation factors had a greater influence upon the merging of unions from the larger size groups. The sensitivity of organisational stability to economic influences among smaller unions was confirmed by the strong impact of high inflation in the promotion of dissolutions.

That recently formed unions are inherently unstable was illustrated in two contexts. Firstly, the formation rate had a positive effect upon the dissolution rate. Secondly, the formation rate was strongly associated with the intensity of merger activity among unions from Size Group 1. The inhibiting effect of the formation rate on merger intensity in Size Group 2 points to differences in the ease whereby a union may be absorbed by merger, the larger the union the more complex is this process. Breakaways, a specific form of small union, were also found to be organisationally unstable. The survival time of breakaways was markedly less than that of dissolving unions as a whole suggesting that the institutional hostility towards breakaways is influential in curtailing their independent existence.

Chapter 4 demonstrated that the level of union funds per member was closely associated with environmental economic factors. The proportional rise in other costs was found to be the most influential component of aggregate union expenditure. During the operation of institutionalised industrial relations, membership interests were primarily focused upon 'economistic' issues to the exclusion of trade union structural realignment. In combination with institutional and economic development, this economistic focus was reflected in the development of workplace organisation. Two aspects of organisational instability were induced by the development of this workplace organisation both of which impinged
upon the merger process. Firstly, workplace organisation threatened the stability attained in the relationships between representatives of the polity and union officials in so far as it precluded the latter from reliably 'delivering the goods' to the former and, in consequence, the formulation of national industrial policies. In this context mergers reduced workplace multi-unionism thereby facilitating the re-assertion of leadership authority over workplace organisation. Secondly, a component of the policy directed towards the integration of workplace organisation was its formalisation within both bargaining and union structures. This process of integration is reflected in the proportional rise in union administrative costs. Merger, therefore, served a second purpose: the centralisation of financial control and the accumulation of larger bodies of funds necessary to support this integration.
FOOTNOTES

1. The reason why union financial data are unavailable for 1971-74 is provided in Appendix A.

2. Footnote 3 of Chapter 7 explains the presentation of a regression result with a Durbin-Watson statistic outside the limits of acceptability.
CASE STUDY I: TECHNOLOGICAL CHANGE IN THE PRINTING INDUSTRY

Several studies have suggested that technological change has a stimulating influence upon merger activity. For example, Lerner (1968) and Buchanan (1974 and 1981) suggest that technological change blurs demarcation lines which promotes inter-union competition for membership and, in turn, merger activity. Chapter 4 included aggregate equations showing the influence on merger activity of economic, unionisation and political variables. A productivity variable was employed as a proxy for technological change, but this variable was not successfully entered into the aggregate equations. The object of this case study is to examine why the productivity variable did not appear. Two explanations can be advanced. Firstly, technological change may not have an independent impact upon the merger process. Secondly, the productivity variable may be an inadequate proxy for technological change, failing to 'capture' its impact upon merger activity.

This case study examines merger activity among unions recruiting from within the printing industry during two periods of technological innovation. The conclusions drawn relate specifically to the printing industry and cannot necessarily be generalised across other industries or unions. The conclusions do indicate some additional lines of investigation, however, which might be usefully pursued in order to elaborate the generalised influence of technological change upon the merger process. The two periods chosen for study are 1893 to 1924 during which linotype machinery was introduced. Child (1967:155) states that
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this introduction took place in the twenty years preceding 1914. The case study is extended to 1924 to incorporate any effects arising from wartime labour practices, in particular those relating to dilution. The second period covers the years 1966 to 1983 which are associated with the implementation of silicon chip based systems.

**THE INTRODUCTION OF LINOTYPE, 1893 - 1924**

**Period Trends**

Between 1893 and 1924 trade union membership in printing rose from 42,200 to 135,300 having peaked at 220,100 during 1920. Throughout the labour unrest, 1910-1914, printing trade union membership increased from 75,400 to 95,600 (21.1 per cent) whereas during World War I a 34.7 per cent increase was recorded bringing membership to 146,400. Trade union density rose from 27.7 per cent in 1892 to 58.3 per cent by 1921. Underlying these increases was the formation of new unions in printing organising women and grades of workers excluded from membership of the existing craft unions. Dominant among the new unions were the National Society of Operative Printers and Assistants (NATSOPA) formed in 1889, the Printers' and Stationers' Warehousemen, Cutters and Assistants Union (PSWCAU) in 1890 and the National Union of Paper Mill Workers (NUPMW) in 1889.

The emergence of the new unions stimulated competition for membership for intermediate grades of workers not clearly falling within the ambit of craft union recruitment. As many of the craft unions were founded upon geographical recruitment, inter-union competition for membership was already pervasive. For example, Musson (1954:227-245) describes the repeated adjustments made in the recruitment boundaries
between the Typographical Association (TA) and the London Society of Compositors (LSC). Such inter-union competition promoted hostilities and the defensive protection of self-interest reflected in a variety of organisational influences that thwarted many of the numerous merger initiatives of the period. Particular among these was the different degrees of autonomy afforded to branches within union constitutions.

Child (1967:203) describes the 'change in the regulation of terms of employment from unilateral enforcement of union rule to bilateral agreement [as] the dominant feature of the period' 1890 to 1914. He reports that by 1914 50,000 workers were covered by over eighty written agreements. These were further consolidated during 1919 'in a comprehensive set of National Agreements covering the basic terms of employment' (Child, 1967:226). A final aspect to the circumstances of the printing industry into which technological change was introduced was its rate of expansion. Child comments that

newspaper circulation rose to heights undreamed of in the Victorian era, and the reduction in the costs of books by mass production of both printing and bindings opened up the great, untouched market for those cheap editions which were the foundation of the prosperity of many large printing houses. Improvements in colour printing and photographic reproduction coincided conveniently with the rapid development of poster and display advertising, and gave renewed stimulus to the job printing trade (1967:159).

The Technology

'In the quarter century before the Great War the printing industry was in a turmoil of technical and industrial development the outcome...[of which]...was nothing less than a profound and general change in both the processes of production and the methods of organisation' (Child, 1967:155). Three principal technical innovations gained widespread acceptance. The linotype was the first type-composing machine
to be introduced on a nationwide basis. Four times faster than hand composition and producing a superior product the first such machine was installed in 1889. Whereas the linotype required a single operative the monotype was worked by two. The monotype was developed ten years later than the linotype and was concentrated in book publishing. The third technical innovation of the pre-war period was the high speed rotary press which brought with it differences between employers and unionists concerning the relative merits of speed and reliability on the one hand and safety of operation on the other.

The introduction of these devices into an expanding industry did not necessitate the displacement of large numbers of skilled workers. Indeed, Child (1967:162) reports that there was a growth of such workers although this growth was smaller than that of general workers in the industry. Changes in absolute numbers of workers in specific grades were of less significance than the relative changes between grades. In particular, the relative increase in the number of machine tenders was marked. For example, the newspaper rotary presses required between twenty and thirty minders only the supervisor of which was eligible for craft union membership. Accentuating this tendency was the growth in the number of workers engaged in the storage and handling of both raw materials and product. Skills tended to become developed within a more specialised area based upon the machinery worked with at the expense of generalised craft skills.

There can be little doubt, therefore, that the introduction of the new technology of the period created a tension between unions arising from the relative changes in employment patterns within the industry. This would appear to confirm Lerner's (1968:172) contention that new
competing skills arising from technological change induce inter-union competition. Two features are, however, of particular salience to the argument to follow. The first is the rapidity with which the change was achieved. In twenty-five years hand-composing, which had been the principal printing method for four centuries, was effectively replaced. Secondly, the introduction of the linotype displaced the hand-composing skills possessed by workers organised into 'tightly knit, highly disciplined, aristocratic and exclusive craft unions' (Child, 1967: 1650). In other words, the technological change had its most direct impact upon workers organised into 'ideal typical' craft unions.

The Wider Implications of Technological Change

Three aspects of the impact of technical change upon industrial relations in printing are examined: the formation of new unions, the rise of national agreements and employer organisations, and company restructuring. The technical changes of the period led to the formation of the unions of semi-skilled workers' (Child, 1967: 163). NATSOPA primarily recruited the assistants working on the rotary presses in newspaper printing. Initially based in London, NATSOPA's recruitment base was extended geographically and vertically with the recruitment of a limited number of printers during the pre-war period. Two long established unions, the London Society of Warehousemen (LSW) and Caxton Printers Warehousemen's Association (CPWA), organised supervisory and craft workers in 'printers and stationers' warehouses. The PSWCAU with Alfred Evans, an advocate of industrial unionism, at its head organised the labourers excluded from membership of the older organisations. With a leadership of similar political complexion, the NUPMW recruited the
less skilled workers, regardless of age or gender, within paper mills again in competition with longer established unions.

In response to the recruitment activities of these, and other, new unions the craft unions gradually abandoned their exclusive traditions and opened their recruitment bases to women and the less skilled. The introduction of new technology was the fulcrum to this development. Craft exclusiveness was based on control over a specific process within the industry. The new devices altered the nature of these processes. For example, the ratio of printers to assistants and apprenticeships was reduced. In order to restrict the loss of control arising from the technical changes, craft unions expanded recruitment bases to organise, where possible, all the skilled workers within the relevant process and reduced the time required to complete apprenticeships. Competitive recruitment was also heightened by the geographical recruitment patterns of the various unions. The provincial craft unions had established loose federations throughout the nineteenth century which were not formalised by merger because of difficulties arising from localised payment structures (Musson, 1954 and Bundock, 1959). By contrast, the non-craft unions were initially based in London extending their bases of recruitment into the provinces. In other words, not only was the geographical locus of competition in flux but the union structural basis to this competition was also changing.

Child (1967:202) argues that the impetus to the spread of collective agreements was the introduction of the linotype and monotype machines. Inter-union competition and the inherent organisational instability of the new unions promoted a union interest in the signing of agreements as they both established a basis for inter-union relations
and conferred organisational stability through employer recognition of the new unions. The expanding market for printing products and the possibility of inter-union disputes disrupting production promoted a similar interest among employers who viewed the signing of collective agreements as a means of facilitating technological change and standardising the rates and procedures associated with its operation. In the main, collective agreements were initially concluded between individual firms and unions organising the different employed grades. The coverage of these agreements is reported by Musson (1954:131-154) to have spread geographically to local and regional status, albeit irregularly and with marked procedural and substantive differences. The exceptions to this pattern of development were the national agreements covering the working of linotype machines on 'stab' (1898) and 'piece' (1903) concluded by the TA and employers affiliated to the Linotype Users Association (LUA). The 1898 agreement laid down that 'all skilled [linotype] operators were to be members of the TA, ... apprentices must have served three years before being put on the machines ... and linotype wage rates were to be 12½ per cent above the existing case rates in the various towns' (Musson, 1954:201). In other words, the introduction of technological change directly stimulated the conclusion of national agreements which were the first in the industry and included both procedural and substantive clauses.

Concurrent with these developments in collective agreements were those in employers' associations. The LUA was the first national employers' association formed in 1895 with the express purpose of achieving procedural and substantive consensus regarding the introduction of linotype machines. The LUA was reconstituted in 1920 as
the Newspaper Society which absorbed other principal newspaper employers' associations. The Monotype Users Association was established with similar objects as the LUA.

Both the growth of firms and their geographical location was influenced by the technological developments. Economies of large-scale production were particularly marked in newspapers on the implementation of rotary presses. The growth of the London daily papers was most pronounced during this period, no doubt assisted by the improvements in transportation from the capital. Child (1967:160) reports similar increases in size among publishers. As was argued in earlier chapters, employer bargaining strength is enhanced by such increases in size. The location of different sections of the industry also exhibited a degree of flux with the changing demand for labour to operate the new machinery. Expanding London-based firms set up plants throughout the South-East where there was both non-union labour and lower site costs. In consequence, the geographically organised printing unions were placed under further competitive pressures for membership. In 1907 the LCS extended its recruitment boundary from a radius of 15 miles to 40 miles from Charing Cross in an attempt to secure unionisation within some of the new plants. Additionally, new unions were formed within these plants often with the support of their established counterparts.

The Merger Process in Printing : 1893-1924

Between 1893 and 1924 there were 24 mergers involving printing industry unions in which 31 unions were absorbed and from which 7 unions were formed. Appendix D, Table D.1, lists the merger cases in question. Of the unions with known formation dates dying in mergers, 11 were
formed prior to 1889, 9 between 1889 and 1893 and 11 after 1893. Only Merger Number 14 involved non-printing industry unions, both of which organised in paper and board. It would appear that merger activity was evenly distributed across unions organising the different grades of workers.

Within this aggregate pattern several trends can be discerned. Both unions involved in Merger Number 1 primarily organised overseers and found their status threatened with the emergence of the forceful PSWCU which attempted to recruit all workers from within the warehouse section of the industry. Merger overtures from the PSWCU were rejected due to its expressed preference towards industrial unionism and its policy with respect to the recruitment of apprentices. Merger Number 1 can, therefore, be viewed, as Bundock (1959:111-127) suggests, as an amalgamation to withstand the aggressive recruitment policies of the new union. This resistance was, however, short lived as the Amalgamated Printers' Warehousemen merged with the PSWCU in 1900. In accord with its explicit commitment to industrial unionism the resultant union from this merger, the National Printers' Warehousemen and Cutters (NAPWC), extended both geographically with Merger Number 7 and vertically in Merger Number 9. The absorption of the Manchester union as a branch of the NAPWC marked the culmination of a campaign to establish branches in the provincial cities with established printing interests (Bundock, 1959:139).

Two further mergers, Numbers 14 and 21, also reflected the NAPWC's predisposition towards industrial unionism. Merger Number 14 was the only one in which unions organising a membership predominantly employed in another industry amalgamated with a printing industry union.
The National Union of Paper Mill Workers (NUPMW) had rejected previous merger offers dating back to 1897 on the grounds that there was sufficient scope for natural membership growth. However, the increasing degree of overlap between memberships, as warehousing facilities became larger to accommodate the supply of paper required by the new machinery, and the rapid post-merger growth of the industrially oriented NUR (which was formed through merger in 1913) broke down resistance to the merger initiative of 1914 as it was felt that industrial organisation in printing might stimulate a similar rate of membership growth.

The National Union of Bookbinders and Machine Rulers (NUBMR) had come into being in 1911 after a protracted series of merger negotiations had resolved differences in financial provision. The four long-established constituent societies had recorded a stagnation in their memberships in the face of competition from new unions. The failure of the NUBMR to organise women arising from the long-held craft traditions of its constituent unions precluded the consummation of merger initiatives from the National Union of Printing and Paper Workers (NUPPW). The slowing of membership growth led to a change in NUBMR policy regarding the recruitment of women reflected in the formal absorption of the two women's sections in Mergers Number 18 and 22. This change in policy and the declining living standards experienced during World War I led to it yielding independence in Merger Number 23, resulting in the formation of the National Union of Printing, Bookbinding and Paper Workers (NUPBPW). The Platen Printing Machine Minders (PPMM), a technologically specific union organising minders to a particular machine, were absorbed by the NUPBPW in 1924 to form a Printing Machine branch.
NATSOPA absorbed the Stereotypers and Electrotypers Assistants and the Printing Revisors and Readers Assistants in Mergers Number 15 and 16. Both these unions had been formed during or after the onset of new unionism. Their acquisition reflected NATSOPA's policy of organizing workers minding newspaper printing presses and ancillary occupations thereto. Recruitment in practice, however, excluded the skilled grades as is indicated by the absorption of these two assistants' unions.

The pattern of merger activity among the new unions was, therefore, dominated by the notion of craft exclusiveness. Some older craft oriented unions were absorbed by the new unions although these primarily organised overseers and supervisors rather than apprenticed craft workers. Where these older unions were in direct competition with their newer counterparts, they succumbed to the latter's relatively higher growth rates, their wider scope of recognition, and their policy of attaining political influence through the emergent Labour Party. The growth of collective agreements in numerical and geographical terms further strengthened the hand of the new unions which strove for national organisation, whereas the older unions relied upon geographically specific recruitment bases.

The influence of technological change on the pattern of merger activity among new unions can, therefore, be viewed as indirect but with a number of strands. Firstly, the policy of the craft unions to retain their status effectively precluded the new unions from organizing all grades. Thus mergers among the new unions was limited in the vertical direction. The relative numerical dispersion of craft and non-craft workers was altered in favour of the latter by the implementation of the new devices. Coupled to this was the proliferation of new unions, the
memberships of which overlapped, initially occupationally and latterly geographically, as they expanded. The second indirect effect of the technological change was, therefore, to promote a geographical consolidation to reduce inter-union competition and enhance bargaining status. Thirdly, technological change induced a centralisation within industrial relations through the promotion of collective agreements and employers' associations. Membership size was the primary means whereby the new unions could attain influence within such a tendency towards centralisation. Only those new unions pursuing active merger policies were affiliated to the Printing and Kindred Trades' Federation through which central bargaining influence was achieved.

Before 1908 mergers among printing industry craft unions were geographical. In Mergers Number 2 and 4 the TA, which had a policy to organise all provincial composing staff, acquired two Leeds-based unions recruiting grades of workers previously organised by the TA in other localities. Similarly, Mergers 10 and 11 were absorptions by regional unions recruiting compositors of local unions organising the same grades of workers. Given that the technological changes promoted alterations in the geographical location of printing industry establishments, these mergers can be viewed as ensuring that union rates were both standardised and applied to the new printing centres thereby protecting the rates established by the acquiring union. For example, Musson (1954:234) reports that the LCS was 'alarmed at the low wage rates outside the London radius, the consequent competition and exodus of firms into the provinces'. The 1907 absorption of the Reading
Compositors, formed in 1905 as a result of this 'exodus' represents a merger with the objective of consolidating rates.

The formation of the National Electrotypers and Stereotypers in 1900 and the subsequent absorption by the National Union of the London Electrotypers and Stereotypers again constituted a national consolidation of craft organisation achieved without either vertical or horizontal expansion. Albeit remaining within the geographical confines of London, the formation of the London United Plate Printers was achieved on the same basis.

Subsequent mergers among craft unions exhibited a divergent pattern comprising a vertical component in the merger. Mergers 13, 17, 19 and 20 involved the amalgamation of unions organising workers directly vertical in the occupational hierarchy. But the unions absorbed in these mergers were small, their combined membership totalling 906. Similarly, the acquiring unions also organised relatively few workers by comparison with the principal craft unions of the period. In other words, any vertical expansion achieved by merger was done so on a small scale, suggesting that organisational instability among smaller unions made them more amenable to vertical expansion.

Musson (1954), Bundock (1959) and Child (1967) report a number of other merger initiatives which failed to come to fruition because of the incompatibility of organisational influences. The expansion of the printing industry during the period facilitated the attainment of union growth thereby allowing for a more vigorous defense of these organisational principles. It would appear that Lerner's (1968) proposition regarding the erosion of demarcation lines through technological change promoting mergers is not valid in printing during
the implementation of collective bargaining. Not only were demarcation lines between the older established craft unions and the new unions maintained but mergers did not, in the main, cross these lines. The few that did involved particularly small unions. Within craft organisation, established demarcation lines were retained, the geographical expansion of recruitment bases appearing to take precedence to a vertical expansion. The impact of technological change upon the geographical location of the industry and the introduction of collective agreements would appear to have had a more marked impact upon merger activity than its effect upon the erosion of demarcation lines. The change in the printing industry's geographical location both promoted the growth of local unions and an interest in their absorption by the larger unions in an attempt to maintain stability in wage rates. The centralisation associated with the implementation of collective agreements was achieved on the union side through merger and the establishment of the PKTF.

THE ADVENT OF SILICON-CHIP BASED SYSTEMS, 1966-1983

Period Trends

Between 1966 and 1979 trade union membership in printing rose from 306,400 to 326,000 or 6.4 per cent. The density of this membership increased to 93.8 per cent by 1979 from 83.4 per cent in 1966 reflecting the decline in potential union membership employed in printing which fell from 367,500 to 347,700. Gennard and Dunn (1983:17) report that 'in 1948 there were ten craft unions in printing ... organised within two broad printing processes - letterpress and lithography'. Between these two processes demarcation was firmly established with only the principal non-craft manual unions organising within both processes. Lithographic
processes were expanded relative to letterpress as the result of the technological developments of the 1950s and early 1960s.

The growth of television and radio adversely affected the financial status of the printing industry, the share of the advertising market won by newspapers 'shrinking very gradually' (Martin, 1981: 9). In consequence, the finances of national newspapers in particular, and printing in general, remained weak throughout the period under study. The marked rise in inflation in 1974 and 1975 induced a sharp decline in disposable income and a diminution in newspaper circulation further exacerbated the general trend. Additionally, the price of raw materials, in particular newsprint, rose steeply thereby imposing further financial constraints upon the industry. Furthermore, the technological developments that did take place led to the establishment of alternative printing facilities in banks, local government, civil service and certain sectors of manufacturing industry in addition to instant print shops, studio printing and advertising agencies. Not only did these alternative printing facilities lead to market pressures within established print houses but they also introduced a wide range of organising 'problems' for the printing unions in so far as other unions attempted to organise these alternative print shops.

The Technology and its Implications

In the late 1960s web-offset printing, employing both the letterpress and lithographic processes, gained widespread usage within the provincial newspaper industry. This system provided the basis for the re-structuring of provincial newspaper production and was the first stage in the break-up of the distinction between letterpress and
lithographic processes. More central to the production of national dailies was the development of tape-fed composition techniques which led to computerised hyphenation and justification and, latterly, the use of photocomposition.

These changes were only intermediary, however, by comparison with the silicon chip-based systems introduced during the 1970s. Direct entry systems enable journalists and advertising staff to keystroke material into computers which are programmed to prepare it for direct transfer to the printing machines thereby eliminating the need for the composing room staff and directly threatening the recruitment opportunities of the National Graphical Association (NGA). For example, Martin (1981: 75-76) reports that on Fleet Street between 1971 and 1974 'there was a large drop in employment within traditional sectors (12.0 per cent in hot metal hand compositors, 10.0 per cent in process workers) and a massive increase in film and paper make-up compositors (from 408 to 1,054, or 160 per cent)'. The absolute decline in the numbers from traditional sectors was matched by the lack of a craft apprenticeship required to operate the new machinery. In other words, direct entry systems undermined the traditional basis of craft control.

Furthermore, the nature of the systems shifted the potential basis of their control to members of unions not traditionally associated with printing. The EETPU and the AUEW organised the maintenance staff, whereas the potential control of the transmission systems lay within the Association of Broadcasting Staff (ABS), the Association of Cinematograph, Television and Allied Technicians (ACTT) and the Post Office Engineering Union (POEU). In alternative printing houses APEX, NALGO, TASS, IPCS and BIFU organised printing workers. In response to
these technologically induced changes in occupational patterns the print unions attempted to restrict the number of apprentices, opened their recruitment bases for natural growth, attempted to enter into inter-union agreements covering demarcation issues, and advanced a series of new technology agreements to employers. In accepting the onset of these chip based developments the print unions attempted to impose conditions upon the terms of their introduction to protect existing memberships.

In contrast, several of the non-craft manual printing unions stood to gain influence with the introduction of the new systems. NATSOPA members, for example, traditionally restricted by NGA-imposed demarcation lines to semi-skilled jobs viewed the advent of the new technologies with anticipation of higher earnings for, in the words of the union's General Secretary, such 'lines of demarcation will not be blurred, they will be obliterated' (quoted in Martin, 1981: 115).

Moreover, with the decline in the rate of aggregate membership growth, unions organising print workers in the alternative printing houses were reluctant to yield membership to the print unions. Gennard and Dunn (1983: 22) report that of such unions only APEX was prepared to enter into a dual membership agreement with the NGA.


Between 1966 and 1983 10 mergers involving unions organising in printing took place. One union was absorbed in each merger and two unions were formed through merger. The two unions formed were SOGAT and SOGAT 82. The constituent unions of SOGAT split and then 're-merged' after re-organising their branch structures during the intervening period of independence. Three unions organising memberships in
industries other than printing were absorbed by printing unions and a single union from printing was acquired by the GMWU which had no previous history of organisation in the industry. There were no geographical mergers, the recruitment bases of printing unions being nationally organised since 1964 when the NGA was formed with the merger of the London Typographical Society and the Typographical Association.

As in the period associated with the introduction of linotype, there are several distinct patterns of merger activity concealed within these aggregate trends. The NGA absorbed four unions between 1967 and 1982, one of which, the National Union of Wallcoverings, Decorative and Allied Trades (NUWDAT), recruited from within the paper and board industry and constituted a marked extension in the NGA's recruitment base. NUWDAT was a small union organised on an industrial basis. 'It represented all production workers in the wallcoverings industry - the unskilled workers, the semi-skilled and the skilled - as well as those on the finishing, warehouse and despatch side' (Gennard and Dunn, 1983: 27). The extension of the recruitment base for the NGA was, therefore, both occupational and industrial. The National Electrotypers and Stereotypers (NES) organised within the letterpress 'side' of printing as did the NGA, the merger between the two unions representing a limited vertical expansion in the recruitment base of the NGA. Both the Amalgamated Society of Lithographic Printers and Auxilleries (ASLPA) and the Society of Lithographic Artists, Designers, Engravers and Process Workers (SLADE), however, recruited from within the lithographic processes. These mergers involved a more marked vertical expansion into the organisation of lithographic workers and, secondly, both absorbed unions represented workers from a wider range of grades than did the
NGA. The absorption of both the lithographic process unions took place after technological change had induced direct competition for members between these unions. Martin (1981:103) reports that inter-union agreements between the unions, initiated by the NGA, presaged the merger negotiations in both instances, suggesting that technical convergence eroded lines of demarcation between the processes involved. In 1978 SLADE members voted narrowly against a merger with the NGA, preferring to retain the independance of their craft subsequently, 'however, SLADE lost a lot of members as a result of the introduction of the new scanning machines which make colour printing much more straightforward' (Industrial Relations Review and Report, 1981:7). This technologically induced loss of organisational stability ensured that the merger proposals submitted to the membership four years later were carried.

The NGA was 'the union generally most affected...by the changes which occurred in printing technology' (Martin, 1981:74). Given that the primary purpose of the technological changes was to reduce labour costs and hence membership, it is apparent that the NGA extended its recruitment base in order to retain a membership sufficient to maintain organisational stability. In other words, when employment is declining, the impact of technological change is to promote mergers among craft oriented unions across demarcation lines. This tendency is also illustrated by Merger Number 6 in which SLADE, which was later to merge with the NGA, absorbed the United Society of Engravers, a union recruiting from within the cotton industry.

The merger in 1966 between NATSOPA and NUFBWW amalgamated the principal non-craft unions in the printing industry. In 1970 the two unions separated due to their failure to agree terms for the integration
of their internal branch structures. In particular, the difficulty of accommodating the different degrees of autonomy afforded to branches within the two union structures of government precluded re-organisation within a single constitution. Subsequent to the separation the two unions embarked on policies directed towards internal re-structuring. Simultaneously both unions pursued independent merger policies. NATSOPA absorbed the Sign and Display Trade Union in 1972, representing a development of NATSOPA's recruitment interests into the timber and furniture industry. Occupationallly, however, the merger did not constitute an extension of recruitment base. The NUPBFW, which retained the name SOGAT after the failure of the initial merger with NATSOPA, absorbed the Scottish Graphical Association (SGA) in 1975. The SGA had rejected the opportunity to be involved in the merger resulting in the NGA formation on the grounds that its regionally specific interests could not be adequately safeguarded within such a structure. For SOGAT the merger with the SGA presented the opportunity to expand its recruitment interests into the craft areas of organisation. As the SGA had incurred a marked membership decline, partly arising from technical developments, its organisational stability was threatened. SOGAT's offer to protect regional membership interests through the provision of a trade group and the financial security achieved through absorption into the larger organisation outweighed the protection of regional craft identity.

For the non-craft unions the extension of recruitment base was the primary characteristic of their mergers. Both NATSOPA and SOGAT achieved this independently albeit with a different basis to expansion. NATSOPA extended by absorbing a union organising from within another industry
whereas SOGAT achieved a vertical expansion within the printing industry. The eventual unification of NATSOPA and SOGAT to form SOGAT 82 allowed for the combination of non-craft interests, as such constituting an occupational expansion of recruitment base within the industry.

CONCLUSION

Merger activity in the printing industry during two periods of technological innovation has been reviewed. The introduction of linotype occurred during the upswing of a long economic cycle, the deployment of silicon-chip based systems during a downswing. Divergent patterns of merger activity between the two periods are apparent. The introduction of linotype was accompanied by mergers which did not involve the recruitment bases of the unions concerned expanding across craft boundaries. Furthermore, some regional distinctions remained insuperable to the merger initiatives of the period. By contrast, merger activity during the later period was characterised by the marked expansion of recruitment bases across traditional lines of demarcation.

Linotype machinery was introduced during the upswing of a long economic cycle when the printing industry was expanding and there was, consequently, potential for membership growth. The development of linotype technology allowed for a degree of geographical relocation of printing establishments which acted to promote geographical mergers. Such mergers were pursued in order to defend the bargaining position and terms and conditions of employment of union members in areas where unionism was firmly established. This tendency was accentuated by the growth in both number and coverage of collective agreements which, in the printing industry, arose from the deployment of linotype machinery.
The signing of agreements was viewed as a mechanism whereby the changes in production necessitated by the introduction of linotype could be facilitated. Linotype operation stimulated the emergence of a substantial section of semi-skilled and unskilled workers in printing. 'New unions' organised these grades of workers. Merging between the new unions was directed towards the achievement of national organisation. It also acted to promote a limited expansion of the recruitment bases of the longer established unions as they strove to maintain control of the processes affected by the technological changes.

A stated purpose underlying the introduction of silicon-chip based systems was to reduce labour costs in a financially insecure industry. The concurrent stagnant or declining memberships of the printing unions stimulated the pursuit of mergers which crossed established lines of demarcation. Such mergers would appear defensive with the object of preserving organisational stability. Numerous failed merger initiatives launched across demarcation lines - for example, the NATSOPA-NGA and NUJ-NGA proposals - suggest that even though membership growth is not being attained and new technologies are being deployed mergers across lines of demarcation are limited in scope.

Lerner (1968:172-173) suggests that technologically induced blurring of demarcation lines induces merger activity with the result that 'demarcational problems become internal union matters'. In the case of printing this thesis would appear to hold when the technological innovation is accompanied by a decline in employment. In other words, organisational stability can only be retained by mergers involving the extension of recruitment bases across established demarcation lines. By contrast, when employment is expanding union organisational stability
can be maintained without the expansion of recruitment bases across lines of demarcation. The impact of technological change on the merger process in printing can, therefore, be viewed as a positive influence, the extent and nature of which is dependent upon its inter-relationship with other factors and how they impinge upon organisational stability.
CASE STUDY II: STRUCTURAL DEVELOPMENTS IN NATIONAL GOVERNMENT

The purpose of this chapter is to elaborate upon the aggregate understanding of the inter-relationships between trade union structural events by means of an examination of these inter-relationships within a single industry, national government. It is selected as the focus of the chapter because almost the entire development of unionism within the industry has taken place during the period for which data are available.

There are three sections to the chapter. The first comprises a data review of structural events in national government and allows for comparisons to be drawn between the aggregate pattern and that within national government. The second section analyses this pattern and the influences impinging upon it from the wider environment. While all forms of structural event are discussed, particular attention is paid to merger activity in order that the understanding of the merger process can be further developed. This theme is pursued in the third section which is based upon a review of merger activity among unions organising membership employed in the clerical and executive classes of the grading structure within the civil service. This section allows for an examination of the strategic use of mergers in promoting the emergence of particular unions.

Throughout the chapter attention is focused on the structural events occurring among unions organising clerical workers as opposed to those organising in the manipulative and industrial sections of the civil service. Furthermore, the structural activity of unions organising
in the post and telecommunications industry is excluded from direct examination even though many of the workers employed in this industry are clerical civil servants. These exclusions are justified on the basis that they allow for a more detailed understanding to be gained of union structural dynamics within the selected area. Where activities occurring among these excluded groups impinge upon the central area of analysis they are, of course, considered.

THE DATA

Mortimer and Ellis report that 'one of the first recorded examples of collective representation took place as long ago as 1834 when a number of civil servants protested against the terms on which new pension arrangements were introduced' (1980:8). While such collective representation suggests the earlier existence of collective organisation, by 1893 only three institutions organising members in national government had registered as unions under the terms of the Trade Union Act 1871. As, for the purposes of this study, it is the completion of this registration procedure that defines the existence of a union. The series covering the number of extant unions in national government, illustrated in Figure 10.1, and the annual number of formations, shown in Figure 10.2, are effectively based upon registration dates. The data are extracted from Bain and Price (1986:106-17) covering the years 1892 - 1974 supplemented by reference to the original Department of Employment records for the years 1975 to 1979. These original data series on trade union structural events in national government are detailed in Appendix E.
Figure 10.1 illustrates the 'external shape' of trade unionism in national government in terms of annual membership and extant unions organising this membership. During the implementation of collective bargaining similarities in the patterns of the indices prevail. In particular, marked increases in both indices are recorded in the period between 1909 and 1920. Following the 1920 peak in the number of trade unions a decline was recorded to 1923 subsequent to which the total number of unions showed little variation until 1945 when the formation of the Institution of Professional Civil Servants (IPCS) resulted in a substantial decline. By comparison, the plateau in trade union membership is of relatively short duration, lasting between 1923 and 1929. The initially gradual and latterly steep rise in trade union membership between 1931 and 1944 illustrates that an increase in the number of trade union members need not necessarily be co-incidental with an increase in the number of trade unions. Indeed, within national government it would appear that the concurrence of these events is limited to the formative stages in the development of unionism within the industry.

The divergence in the trends of the two indices heightened during the operation of institutionalised industrial relations. Whereas trade union membership exhibits, albeit unevenly during the 1950s, a tendency towards increase, the number of trade unions consistently declines. This consistency in decline is maintained during the latter years of institutionalised industrial relations even though a substantial rise in trade union membership is recorded.

Trade union 'births' by both formation and merger are graphically presented in Figure 10.2. The implementation of collective bargaining
Figure 10.2

Union 'births' in National Government
exhibits a greater degree of organisational flux than the operation of institutionalised industrial relations. The significant peak in union formations in 1919, when no less than 85 unions were formed, is preceded by a minor peak in 1910 comprising 24 unions. Despite the plateau in the number of extant unions between 1923 and 1944 recorded in Figure 10.1, a substantial number of unions were formed during the same period. The number of births by merger shows markedly less variation than that of the formations. Between 1920 and 1924 ten unions were formed through merger, which is more than were formed throughout the remainder of the implementation of collective bargaining. During the operation of institutionalised industrial relations the number of union births was limited. Between 1946 and 1979 twelve unions were formed from scratch and only two unions were formed through merger. Moreover, these structural events appear to be evenly distributed across the period with no obvious clustering.

Figure 10.3 illustrates the pattern of union 'deaths' in national government. Prior to 1917 a single union was acquired through merger. Between 1917 and 1945, however, unions were absorbed in mergers, with the sole exception of 1936, during every year. There would appear to be some support for the position that the impact of the depression stimulated merger activity in so far as during 1930 and 1932 minor peaks in the number of unions absorbed were recorded. This position is, however, not substantiated by reference to the incidence of union dissolutions over the same period. The number of dissolutions was most pronounced immediately following the 1919 peak in union formations, indicating that organisational instability prevailed among recently formed unions even when aggregate union membership was increasing. In
Figure 10.3 Union 'Deaths' in National Government
the years following 1927, which co-incide with the onset of the depression, the number of dissolutions declined.

As it is assumed that absorption is a means whereby the decline of organisational stability towards dissolution can be arrested, two explanations arise. The first is that the increasing number of absorptions indicates that organisational stability was retained through mergers, the decline in the number of dissolutions reflecting the increased use of merger as a means to arrest the decline of organisational stability. The second explanation rests upon the particular circumstances of employment in national government. Workers employed by the state were, to a degree, protected from the harshest effects of the depression with the consequence that variations in employment were less marked than in other sectors of the economy. This is evidenced by the rising trend in trade union membership between 1923 and 1945 recorded in Bain and Price (1980:78). In other words, within the terms of this second explanation the decline in the number of dissolutions during the depression arises from the growth in trade union membership within national government which restricted the spread of organisational instability. These alternative explanations are examined in detail below.

During the operation of institutionalised industrial relations, 34 unions died in mergers by comparison with 25 dissolutions. Indeed, the last recorded dissolution occurred in 1962 suggesting that merger had become dominant as a means to prevent dissolution in national government prior to the onset of merger Wave II. Given that only two unions were formed through merger during the operation of institutionalised industrial relations it is, however, apparent that the dominant form of
merger recorded for merger Wave II, the absorption into an extant union, was applicable throughout the entire period in the specific case of national government.

In Chapter 2 it was noted that absolute measures of structural events, as shown in Figures 10.1, 10.2 and 10.3, are necessarily biased given the variation over time in the total number of extant unions. Clearly, this tendency towards bias is replicated within a single industry. Figure 10.4, therefore, graphically represents five year moving averages of the indices of the formation and dissolution rates and merger intensity. As with the aggregate data, the primary characteristics of these plots are their wave forms. The initial unionisation of national government was marked by a wave in the formation rate between 1909 and 1925 which slightly precedes but is largely concurrent with the aggregate formation wave of 1917 to 1925. Arguably this initial wave in the formation rate within national government could be regarded as two, for there is a trough in the formation rate between 1914 and 1917. From 1925 onwards during the implementation of collective bargaining the formation rate showed a gradual tendency towards decline.

During the operation of institutionalised industrial relations this tendency towards decline is maintained. Between 1953 and 1959 a minor wave in the formation rate is recorded. This is, however, largely explained in terms of the significant decline in the denominator of the formation rate equation, on the formation through merger of the IPCS, of the number of extant unions organising in national government. A second minor wave is recorded for 1973 to 1979 which is co-incidental with the third aggregate formation wave 1970 to 1979.
As with the aggregate pattern of merger intensity, three waves are observed in merger intensity among unions organising in national government. The first, between 1919 and 1925, is concurrent with the initial massive wave in the formation rate. In Chapter 6 it was noted that an important contributory factor to the rise in aggregate merger intensity during merger Wave I was the intra-merging of recently formed unions. Given the concurrence in the waves of merger intensity and the formation rate among unions organising in national government, it would appear that a similar process might account for a proportion of the rise in merger intensity between 1919 and 1925. The second wave in merger intensity within national government is explained purely in terms of the formation by merger of the IPCS. This merger also accounts for the second, analytically disregarded, aggregate merger wave. The third merger wave in national government is 'dated' from 1971 to 1979 and occurs within the limits of merger Wave II.

Both the patterns in the formation rate and in merger intensity among unions in national government bear some similarity to the aggregate wave form observed in the same indices. This similarity is, however, not duplicated in the patterns of the dissolution rate. The only marked peak in the dissolution rate is recorded between 1947 and 1950 and results from the effect of the IPCS merger on the denominator of the index. A rise in the dissolution rate occurs during the latter years of the initial formation wave, suggesting that organisational instability among the recently formed unions was pronounced. This confirms the results derived from the aggregate data.
STRUCTURAL EVENTS AND THE WIDER ENVIRONMENT

The Implementation of Collective Bargaining

Humphreys (1958:57) reports that most of the early unions organising in national government 'tended to follow a departmental pattern of organisation'. The desire to achieve permanent employment; improvements in pay, promotion prospects and pensionable status; and the elimination of compulsory overtime were the principal issues underlying the formation of the first unions. Initially, the rigid departmental organisation of the civil service acted to divide the interests of the employees. Such divisions were compounded by the isolation of women by both entry and grade. During the first two decades of the twentieth century, however, standardised grading systems were introduced which cut across departmental boundaries and acted to reduce the accentuation of sectional interests leading Humphreys to assert that 'grading reforms made strong associations possible, while standardised classes [of civil service employment] made strong associations necessary, if employees were to influence conditions within a grade' (1958:57). The Treasury was responsible for the setting of terms and conditions within the civil service. The extended and convoluted procedures required to complete the submission of a grievance guaranteed Treasury officials flexibility in their approaches to the first unions in terms of both acknowledgement of their existence and the implementation of policy changes. In consequence, Wigham (1980:18) reports that many of the unions pursued change through directly enlisting the support of Members of Parliament sympathetic to civil service trade unionism.

The labour unrest immediately preceding World War I included a heightening of activity among workers within the civil service,
Membership rose from 2,700 in 1909 to 21,800 by 1914. Humphreys (1958:66) suggests that tensions arising from downgrading, inadequacies in the method of promotion to higher grades and the steadily rising cost of living stimulated the rapid rise in recruitment. The increase in trade union membership was accompanied by a rise in the number of registered unions from 13 to 49 during the same period. Two series of events were of particular note regarding the structural development of unionism in national government.

Firstly, the Civil Service Court of Appeal Committee was constituted in 1909 with the object of securing support from Members of Parliament for the establishment of a joint union/Treasury board to assess civil service grievances. The Committee was composed of representatives 'of the more vigorous unions'. In striving to achieve this object support was requested and was forthcoming both from other unions and in terms of enhanced membership. Arising from this Committee, the Civil Service Federation was formed in 1911 comprised of twenty-two unions. In other words, the impracticability of individual unions achieving advance on general issues was recognised and a federation established to facilitate progress. This is not to imply that departmental and other divisions inherent in union organisation were overcome. Indeed, the Civil Service Federation was constituted with two branches, one catering for established staffs, the other for temporary staffs due to an inability to agree terms. It is to suggest, however, that the initial basis upon which union organisation in the civil service was constituted became subject to question. A further illustration of this change in attitude was the merger in 1912 to form the Custom and Excise Officers' Association which was preceded by much
wrangling over pay and recruitment. The merger allowed for the development of a single employee side policy as to the means whereby these issues could be resolved within the department.

A second principal influence upon structural development was the approach towards unionism adopted, and the conclusions drawn, by the MacDonnell Commission which was appointed in 1912. 'The commission encouraged the associations by taking oral evidence from the more important of the general service unions at an early stage in [their] proceedings' (Clegg, 1985: 95). This encouragement was influential in promoting the registration of civil service unions. The 'indirect' recognition arising from the Commission's acceptance of the unions' evidence was consolidated by the recommendation that the unions be accorded recognition by the appropriate heads of departments within the civil service 'in the sense of receiving from them direct representations on matters affecting their interests' (MacDonnell Commission quoted in Clegg, 1985: 96).

While the outbreak of World War I curtailed the rate of change regarding both recognition and procedures for recognition, other developments were to lead to a heightening of tension within the civil service. The vast increase in the number of women employed led to debate regarding their eligibility for membership of extant unions and, in some circumstances, the formation of unions exclusively recruiting women members. Additional to the ambivalence of existing unions towards the recruitment of women was that towards temporary workers. As a consequence, in many departments unions duplicating the departmental recruitment base of established unions were formed for the specific purpose of representing temporary workers. The tendency towards the
formation of new unions was further propelled by the establishment of new ministries to handle wartime related affairs. Furthermore, many of the traditional customs and practices associated with civil service employment were replaced by procedures from private industry on the influx of business executives appointed to improve efficiency, thereby leading to the spread of unionism among existing employees.

Initially, the precedence afforded to the support of a wartime 'national interest' reduced pressure both for bargaining and trade union structural reform. Substantial rises in the cost of living, which were not accompanied by equivalent wage increases, and overtime working 'speeded up the development of unions by causing greater and more widespread discontent' (Humphreys, 1958:96). The planned introduction of an eight hour day, replacing the existing seven hour day, was universally viewed by civil servants as an attempt to cut costs through the elimination of an hour's overtime pay. This universality of feeling created the circumstances for the establishment of the Civil Service Alliance, a federation of unions which by 1920 had 35 unions affiliated to it. It is apparent that in attempting to introduce terms of employment which applied to all civil servants the Government, as their employer, promoted greater cohesion among unions still beset by departmental and grade rivalries.

A further wartime stimulus to union structural realignment was the formalising of the means whereby grievances relating to employment terms and conditions were dealt with through the establishment of the Conciliation and Arbitration Board in 1917. The procedures enshrined in the operation of the Conciliation and Arbitration Board constituted a further step towards formal recognition of the civil service unions in
so far as it allowed for claims to be submitted by 'official representatives' of appropriate associations. This concession towards recognition co-incides with a sharp increase in the formation rate as is evidenced in Figure 10.4. During 1919 the Conciliation and Arbitration Board extended arbitration rights to civil servants on salaries up to £1,500 with the result, as Humphreys (1958:89) reports, that 'three associations were formed in the higher grades' in order to secure effective representation.

Whitleyism was initially introduced to the civil service during 1920 after a protracted union campaign. Its introduction coincided with a peak in the formation rate and a heightening in the intensity of merger activity. Whitleyism had a three-fold effect upon the development of union structure in national government. Firstly, in campaigning for its introduction a marked degree of inter-union cooperation was established in order to secure parliamentary influence. This was also reflected in terms of standardised claims submitted by groups of unions rather than by individual unions and the formulation of a scheme for the reorganisation and reclassification of the civil service by the Civil Service Alliance.

Secondly, Whitleyism represented a final stage in the formal recognition of civil service trade unionism constituting for 'the more conservative civil servants... the official seal of approval on a step which previously might have been regarded as harmful to the dignity of a public servant or opposed to the best interests of the state service' (Humphreys, 1958:116). In consequence, the recruitment base of civil service trade unionism as a whole expanded to include some of the professionally based occupations. This expansion, no doubt, partially
explains the steep rise in the formation rate recorded in Figure 10.4. Associated with the recruitment base expansion and subsequent membership increase was the resurgence of radicalism, particularly among lower clerical staff, arising from the realisation that influence achieved through the unions could induce change. These attitudinal changes were compounded by the further deterioration in the living standards of civil servants and the difficulties arising from the influx of soldiers returning to civil service employment after World War I. While this radicalism did not result in the widespread adoption of syndicalist objectives, as in the cases evidenced in Chapter 7, it was associated with the broadening of the recruitment bases of individual unions, the affiliation of some unions to the TUC and Labour Party and the promotion of parliamentary candidates.

The third immediate effect of Whitleyism on union structural development arose from the boundaries of representation adopted for the Whitley Committees. These boundaries of representation cut across existing recruitment jurisdictions necessitating the reorganisation of recruitment boundaries and, in turn, 'requiring entirely new settlements and compromises with fellow unions' (Humphreys, 1958: 124). Effective representation on the Staff Side of the Whitley Council was largely precluded by the sheer number of unions organising civil servants. As is illustrated in Figure 10.1, by 1920 this number had risen to 235. Compounding this pressure for structural realignment was the implementation of the Reorganisation Committee recommendations covering wages and conditions which reduced departmental differentiation through the establishment of four principal grades within the civil service. In other words, these recommendations eliminated one of the primary
barriers to the successful conclusion of merger negotiations. The example of the Assistant Clerks' Association and the Women Clerks' Association is a case in point. The introduction of the grading changes placed the membership of both these unions in the same clerical class with uniform terms and conditions whereas previously there had been marked differences. Furthermore, the implementation of the recommendations directly undermined the organisational stability of certain unions. For example, the recommendations led to the membership of the Second Division Clerks' Association being allocated into two different grades: Executive Officers and Higher Clerical Officers. In this instance internal instability precluded the continuation of the organisation as a single entity.

Humphreys (1958:132) reports that it was only during 1920 that unions organising in the civil service began to appoint full-time officers. Merging was, therefore, facilitated by the absence of any widespread need to reconcile personality differences within post-merger organisations. The increase in merger intensity recorded in the immediate post-war period can, at least, partially be attributed to the combined environmental influences of deteriorating terms and conditions of employment; the formalisation of bargaining arrangements with the consequence of employer recognition; and the reorganisation of grading structures which acted to inhibit the 'barrier effect' of the organisational influences to mergers.

Hughes (1972) notes that one of the stimulating effects of company mergers on trade union structural realignment was their impact upon payment systems. For the multivariate analysis included in Chapter 4, the number of manufacturing company mergers, COMER, was employed as a
regressor to 'capture' this and the other theoretical influences of company merger activity upon the trade union merger process. During the implementation of collective bargaining, the regressor COMER was significant, but never at the one per cent level, in the equations comprised purely of economic variables. The regressor COMER, however, failed to attain significance on the introduction of the unionisation variables and was only included in a single aggregate equation. Chapter 4 notes that a partial explanation of the failure of this regressor to fulfill theoretical expectations lay in its exclusion of non-manufacturing company mergers. The examination of the impact of the environmental influences upon merger activity among unions organising in the civil service allows for further specification of the limitations of this regressor. If it is assumed that one of the effects of company mergers on trade union mergers is to disturb payment structures, it is apparent that the regressor COMER does not 'capture' such disturbance effects within the civil service. These effects, however, appear to have had a positive influence on the promotion of union mergers during the post-war period when mergers in national government were numerous. It is, therefore, reasonable to suggest that a further reason underlying the failure of the regressor to attain one per cent significance lies in its exclusion of the effects of civil service reorganisation.

Following the onset of recession during 1921 Figure 10.4 records an increase in the dissolution rate. This increase is concurrent with the beginning of the second aggregate dissolution wave in 1920. Trade union membership in national government declined between 1920 and 1923 from 136,200 to 97,400 inducing organisational instability which is likely to
provide a partial explanation for the increase in the dissolution rate particularly in the light of the large number of recently formed unions. Exacerbating the impact of organisational instability arising from membership loss was that arising from the failure of some unions to secure recognition on the Whitley Councils. It was noted above that a number of unions were formed organising temporary workers and ex-servicemen as extant unions were reluctant to recruit such workers. These unions were specific to the civil service and were particularly prone to dissolution suggesting that the impact of dissolution was uneven in so far as it was marked among unions with a peculiar basis to recruitment.

By comparison with the structural turbulence of preceding years the period of the implementation of collective bargaining from 1925 was relatively placid. The prohibition of unions organising civil servants from affiliation to the TUC and Labour Party enacted under the provisions of the Trades Disputes and Trade Union Act 1927 appears to have had no significant impact upon merger intensity. A slight decline is recorded confirming the negative sign attached to the repressive legislation variable in Equation 1, Table 4.4. The unionisation of the civil service was, however, clearly not completed in the years before 1925 for, despite the large number of extant unions, the formation rate shows a minor peak for 1929. The majority of the unions formed during this period organised professional workers, lending some support to the notion that such workers are more resistant to unionisation than white-collar workers generally and that when unionised they wish to retain a degree of organisational autonomy.
The Operation of Institutionalised Industrial Relations

The onset of the operation of institutionalised industrial relations is marked by the formation of the IPCS by merger. This merger 'arose from reorganisation reasons' (Buchanan, 1974: 42) and was achieved through the formal merging of unions which had been affiliated to a single federal structure. Simultaneous with this de-federalisation was the reorganisation of the grading structure for civil servants employed in professional and technical grades from which the IPCS recruited. Mortimer and Ellis (1980: 133) state that this reorganisation created 'nine new Treasury classes... which transformed large areas of professional, scientific and technical employment from a chaotic medley of departmental grades into a coherent, tidy and compact group of Treasury classes'. In other words, the reorganisation of the grading structure which impelled the widespread union structural realignment of the years immediately after the culmination of World War I among administrative, executive and clerical grades was replicated among professional and technical grades twenty-five years later with a similar effect upon trade union structure. As the overwhelming majority of the unions affiliated to the pre-merger federation limited their recruitment bases to specific departments, the reorganisation acted to undermine departmental differentiation. Furthermore, as is discussed in Chapter 6, the federal structure of union organisation is prone to internal fragmentation. The formalisation of this federal structure would, therefore, have reduced the likelihood of internal fragmentation and thereby simplified the staff side of bargaining.

The large number of unions involved in the formation of the IPCS largely explains the drop in the number of unions organising in
national government from 179 in 1944 to 63 in 1945. Of course, this substantial decline underlies the sensitivity of the relative measures employed in Figure 10.4 to small absolute numbers of structural events during the operation of institutionalised industrial relations. Given this, it would appear that the primary series of structural events requiring explanation is the wave in merger intensity recorded for 1971 to 1979, a wave concurrent with merger Wave II.

Between 1971 and 1979 trade union membership organised in national government rose by 10.1 per cent from 581,000 to 639,500 suggesting that organisational instability arising from membership decline does not underpin the protracted rise in merger intensity. During the same period, the density of union organisation rose from 85.4 per cent to 91.3 per cent indicating that the intensity of competitive recruitment arising from the saturation effect is likely to have heightened. Intense competition for membership is likely to stimulate merger activity through its impact upon the costs of recruitment activities. Two alternative arguments, however, apply to the assessment of the impact of competitive recruitment within the civil service. Firstly, demarcation of recruitment boundaries between the major unions is established within the framework of the civil service grading structure. To a degree, therefore, it must be recognised that competitive recruitment is institutionally restricted by the nature of recruitment demarcation. Secondly, while these boundaries are agreed between the major unions, there were 34 unions organising civil servants in 1971, indicating that smaller unions existed which recruited from grades in competition with their larger counterparts. The inequality of competitive recruitment in
these conditions in terms of membership support services and financial reserves might, therefore, underpin the rise in merger activity.

The character of merger activity in this period allows for the relative impact of these influences to be assessed. In all, sixteen unions 'died' in mergers whereas only a single union was formed through merger. Of the sixteen unions 'dying' in mergers, eight were absorbed into major civil service unions - two by the Civil and Public Services Association (CPSA), and three each by the Society of Public and Civil Servants (SCPS) and the First Division Association (FDA) - and one by the GFWU. The remaining seven departmentally based unions died in the merger resulting in the formation of the Custom and Excise Officers' Association. The acquisitions of the CPSA, SCPS and FDA were achieved with unions organising within the civil service classes that comprised their recruitment bases. In other words, the character of the predominant form of merger activity suggests that the inequality of competitive recruitment conditions influenced the rise in merger intensity. This form of merger activity is similar to the dominant pattern discerned as characterising merger Wave II.

The report of the Fulton Committee was published in 1968. Among the report's principal recommendations was one advocating the removal of rigidities from within the existing class system. Through the auspices of the National Whitley Council this recommendation was implemented and accompanied by a simplification of grading structures. Given the relatively larger membership size of unions in the 1970s by comparison with the early-1920s, it should be recognised that many of these alterations in the class and grading structures took place within the recruitment bases of extant unions thereby not inducing any effects
towards the promotion of merger. While larger union size provides an explanation for the absence of widespread merger activity, it is initially surprising that merger activity was not more pronounced on the implementation of the Fulton Committee recommendations given the impact on union structural re-alignment of previous regradings. An explanation for the relative infrequency of merger activity, lies in the organisational stability of the major unions arising from membership increase. Such stability reinforced the barrier effect of the organisational influences upon merger activity. This is evidenced by the failure of merger negotiations among the principal unions. For example, Buchanan (1981:47) reports that the Civil Service Union (CSU) rejected a merger initiative launched by the CPSA on the grounds that its members did not wish to become embroiled in the extensive political manoeuvrings within the CPSA. Similarly, several merger proposals to combine the CPSA and the SCPS have failed, most notably on the grounds that CPSA members rejected being in the same union as those staff who supervise them in employment. In other words, the regrading arrangements instigated post-Fulton stimulated merger initiatives between the major unions which foundered because of the organisational stability of these unions.

**MERGER ACTIVITY AND THE DEVELOPMENT OF PRINCIPAL UNIONS**

The first two sections to this chapter have illustrated a wave pattern in the formation rate and merger intensity among unions organising in national government and related this pattern of structural events to wider environmental influences. In particular, the implementation of collective bargaining arrangements in the form of Whitleyism was found to have had a pronounced effect on both the
formation of unions and merger activity. This effect is due to the recognition afforded to unions within the Whitley structures and the associated regrading and reclassification which acted to reduce the divisive effects of departmental differentiation. The third section analyses merger activity among the principal unions organising within the clerical and executive classes of the civil service with the object of further specifying the processes identified in the second section. As such, the intention is not to detail the specific circumstances relating to each merger but to isolate the different trends among the mergers undertaken by the major unions and to move towards an explanation of why these unions emerged from among the numerous unions of the initial stages of unionisation in national government.

Civil and Public Services Association (CPSA)

The post-World War I reorganisation of the civil service led to the establishment of the clerical class into which it was envisaged that 40,000 civil servants would be allocated. The assistant clerks class was absorbed into the clerical class. The Assistant Clerks' Association (ACA), under the leadership of W. J. Brown, became the largest union organising in the clerical class. On merging with the (Post Office) Clerical Assistants' Association, which recruited from within the clerical class in the Post Office, the ACA was renamed the Clerical Officers' Association (COA), the representatives of which declared its recruitment base to include the whole of the newly created clerical class. These declarations were, however, not matched by a similar membership commitment for two unions exclusively organising women were excluded from the merger as a result of an ACA ballot. In the years
between 1920 and 1922 several departmentally based unions were absorbed into the COA including those comprised of women originally rejected on the formation of the COA. Humphreys (1958:135) reports that several of these mergers were preceded by COA recruitment drives for membership into these other departments which undermined the organisational stability of the departmentally based unions. In this manner the COA membership viewpoint, as expressed in the merger ballot, was circumvented and inter-departmental hostilities rendered relatively obsolete by the direction of natural growth over which the membership could bring little influence to bear.

The Civil Service Clerical Association (CSCA) was the direct forerunner of the CPSA, the latter title emanating from a name change during 1969 instituted in recognition of members in the Post Office and in other sectors outside the civil service. The Civil Service Union (CSU) was the largest competitor of the COA organising in the clerical class with a slightly larger membership consisting primarily of temporary clerks, a grouping largely rejected by the COA as their organisation posed special recruitment problems. The CSU had, however, gradually extended its recruitment base to cover the entire clerical class. In other words, it was in direct competition for membership with the COA and was expanding at a similar rate to the COA. The merger between these unions to form the CSCA in 1921 resulted in a union of 16,500 members which, in terms of membership size, dominated other unions organising within the clerical class. Integral to the merger agreement was the understanding that no further temporary clerks would be recruited into membership, indicating the the preference afforded to the COA's reluctance to organise such workers.
The numerical dominance achieved by the CSCA within the clerical class was influential in promoting the absorption of a further seven departmentally based unions between 1922 and 1929. Humphreys (1958:138) reports that in those cases where an initial merger offer was rejected the CSCA launched a recruitment campaign over the heads of the reluctant representatives thereby undermining the organisational stability of the smaller unions. In consequence, the membership acquired in these mergers was small, totalling 938. While the acquired membership was marginal, it was the influence gained in terms of representing the entire clerical class that was the primary objective of the CSCA.

Four primary unions organising within the clerical class, however, remained beyond the ambit of the CSCA: the Association of Officers of Taxes (AOT), the Ministry of Labour Staff Association (MLSA), the Valuation Clerks' Association (VCA) and the County Court Officers' Association (CCOA). The AOT had been able to maintain slightly better rates than the CSCA (Wigham, 1980:55) and had, therefore, been able to resist the merger initiatives from the CSCA. Furthermore, this factor precluded the CSCA making inroads into the membership of the AOT through natural growth. During 1929 an agreement between the two unions regarding recruitment spheres was concluded which acted to restrict competition. The acquisition in 1933 by the CSCA of the Inland Revenue Stamping Department Association, while within the terms of this agreement, reflected the continued interest within the CSCA of achieving universal recognition within the clerical class.

In contrast after the MLSA 'broke away from the amalgamation talks with the Clerical Officers' Association, it was subject to intermittent attack' (Wigham, 1980:55). These attacks were particularly marked after
the MLSA accepted inferior terms to those advocated by the CSCA regarding the assimilation of its membership into the clerical class. As late as 1932 the CSCA campaigned to recruit all clerical workers employed by the Ministry of Labour. The CSCA offered to curtail these raids in return for the opening of merger negotiations. This offer was rejected with the result that the raids continued throughout the 1930s which 'meant a steady, and profitless drain in energy and finances' for the CSCA and 'continual disruption and diversion from primary functions' for the MLSA. Only in 1939 with the establishment of a fresh Civil Service Alliance were recruitment boundaries stabilised and raiding terminated.

Similar agreements covering jurisdictional boundaries were struck between the CSCA, VCA and CCOA prior to that concluded with the MLSA. Relations between these three unions did, therefore, not attain the same intensity of hostility as those between the CSCA and MLSA. While the CSCA was not able to absorb these unions, a further four departmentally based organisations were acquired during 1934 and 1935. The implementation of collective bargaining, therefore, saw the emergence of the CSCA as the principal union organising in the clerical class. The formation of the CSCA by merger allowed it to gain numerical ascendency over its competitor unions, twelve of which were acquired between 1922 and 1935. With the four principal unions resistant to merger overtures, the CSCA entered into recruitment jurisdiction agreements thereby reducing the damaging effects of hostile inter-union competition.

Only three unions were absorbed by the CSCA during the operation of institutionalised industrial relations. The Association of Assistants of the Investigation Branch, GPO was absorbed in 1950 and reflected the
representation of GPO employees on the Staff Side of the National Whitley Committee. The MLSA and CCOA were absorbed in 1973 and 1974 respectively. In other words, the accord on jurisdiction and closer working arrangements achieved within the Civil Service Alliance acted to dissipate inter-union hostility and allowed for the consolidation of interests within the clerical class. That the Civil Service Alliance was the representative body on the Staff Side of the National Whitley Committee representing the clerical class and included only organisations recruiting from the Clerical Class no doubt fostered cooperation between these unions. Additionally, it was noted in Chapter 8 that a factor impinging upon the rise in merger intensity during merger Wave II was the increase in the financial threshold of union solvency arising from the implementation of the Donovan Report recommendations regarding the incorporation of shop stewards and the extension of trade union education. Both the MLSA and CCOA were small unions with limited recruitment bases and, hence, capacities to secure large financial reserves. It would, therefore, seem likely that this factor may have also influenced these mergers.

Society of Civil and Public Servants (SCPS)

The establishment of the executive class of civil servants within the terms of the 1920 reorganisation cut across the recruitment base of the Second Division Clerks' Association (SDCA). Retaining its membership in the executive class, the SDCA was renamed to become the Association of Executive Officers of the Civil Service (AEOCS) in recognition of its new scope of recruitment. In 1921 the AEOCS amalgamated with the Staff Clerks and Other Civil Servants to form the Association of Executive
Officers and Other Civil Servants (AEOOCS) which became the largest union organising within the executive class. Three departmentally based unions were acquired between 1922 and 1926. By comparison with the CSCA the acquisition rate of the AEOOCS was markedly lower, reflecting the greater emphasis placed upon the retention of the status of a staff association with concomittant restrictions on membership. This emphasis is likely to have originated in the professional status afforded to civil servants in the executive class.

Prior to 1920 intermediate class clerks were organised by the Society of Civil Servants (SCS). In the 1920 reorganisation the intermediate class clerks were allocated to the executive class thereby creating competitive recruitment conditions between the AEOOCS and the SCS. Several merger initiatives launched by the AEOOCS were rejected by the SCS which maintained an idiosyncratic course tending 'to disregard Whitleyism and [taking] independent action at the expense of its Staff Side fellows' (Humphreys, 1958:150). The relationship between the two unions was also hampered by the recruitment activities of the SCS which were regarded as poaching by its contemporaries. As a result of the costly internecine disputes which arose from these activities, a merger was concluded in 1930 between the AEOOCS and SCS in order that the costs of recruitment could be restricted when civil service employment was contracting, albeit temporarily.

The union resulting from this merger, also called the Society of Civil Servants (SCS), assumed the rights of representation for the entire executive class on the Staff Side of the National Whitley Committee. In consequence, no less than eight departmental unions merged with the SCS between 1931 and 1941. In other words, the recognition
secured by the SCS undermined the bargaining position of these smaller unions impelling them towards merger in order to secure representation within national bargaining arrangements. All of the acquired unions organised within the executive class; their acquisition allowed for the consolidation of the recruitment base of the SCS within the Class.

During the operation of institutionalised industrial relations three further unions were absorbed into the SCS. All of them recruited from within the Ministry of Labour (or its successor, the Department of Employment). A similarity in the pattern of merger activity is, therefore, apparent regarding both the clerical and executive classes, for in both cases the unions organising the different grades within the Ministry of Labour remained apart from the principal unions organising in the class. An explanatory factor underpinning this protracted isolation is the presence of the Federation of Ministry of Labour Staff to which the unions were affiliated. This federation formed an additional bargaining outlet, thereby enhancing the organisational stability of its affiliates. This enhanced organisational stability may have acted to increase resistance to merger.

Inland Revenue Staff Federation (IRSF)

Unlike the class-based CPSA and SCPS, the IRSF has retained a departmental recruitment base. In consequence, the pattern of merger activity leading to its formation during 1938 is different to those pursued by the CPSA and SCPS. Insecurity of employment and low pay had stimulated 'a solidarity uncommon among clerks before 1918' within the Association of Tax Clerks (ATC). The ATC was the first of the unions organising in the civil service to affiliate to the TUC and was an
active affiliate of the Civil Service Federation, the first of the union federations in the civil service. Following the 1920 reorganisation of the civil service, the ATC was renamed the Association of Officers of Taxes (AOT) and full-time staff were appointed.

Whereas the merger activity of the class-based unions was focused upon the extension of recruitment bases through the acquisition of departmental unions, the object of the AOT merger policy was the consolidation of union organisation within a single department. Therefore, unlike the CPSA and SCPS, membership differences such as established/unestablished and gender were not regarded as inhibiting factors to mergers to the same degree. In consequence, the Association of Women Tax Clerks was absorbed as early as 1923. The desire to retain its exclusively departmental recruitment base was the reason provided in rejecting several merger approaches from the CSCA throughout the 1920s. In 1933 a further merger initiative was declined on the basis that the competition between the CSCA and MLSA should cease before meaningful merger negotiations could commence. Such negotiations began during 1934 but little progress was recorded primarily because the AOT, with their special responsibilities within the Inland Revenue, 'were able in the early 1930s to negotiate somewhat better terms than those obtained... for Clerical Officers generally' (Wigham, 1980:55). Personal animosity between the full-time officers of the two unions is also cited as clouding the atmosphere within which the negotiation were conducted (Wigham, 1980:54).

The National Association of Assessors and Collectors of Taxes (NAACT) organised unestablished local officials within the Inland Revenue, many of whom were employed on a part-time basis. Amalgamation
discussions commenced in 1932 after the assessors and collectors became established. The peculiarities of their employment and the desire on behalf of the NAACT to retain its separate identity prevented these discussions from reaching a successful conclusion. Three years later, however, 97.7 per cent of the NAACT membership voted in favour of federating with the AOT on the understanding that the independence of the NAACT was retained within the federation. This federation was called the Inland Revenue Staff Federation.

The Valuation Office Clerical Association (VOCA) had been absorbed in the initial flurry of departmentally based union acquisitions by the CSCA, but had later seceded from the CSCA when an agreement was struck between the CSCA and AOT regarding jurisdiction. In the year following the establishment of the IRSF, the VOCA affiliated, thereby completing the departmental recruitment base. The close working arrangements fostered within the federation allowed for a formal merger to be achieved during 1938. In 1939 the Civil Service Alliance was established which formalised jurisdictional boundaries among affiliated unions thereby limiting the adverse effects of competitive recruitment and allowing the IRSF to maintain organisational stability with a restricted departmental recruitment base.

Civil Service Union (CSU)

The Government Minor and Manipulative Grades Association (GMMGA) was formed by messengers mainly employed in the Board of Education who were among the poorest paid civil servants (Edwards, 1975: 13). The impact of the civil service reorganisation of 1920 appears to have stimulated an expansion of the recruitment base of the GMMGA achieved through both
natural growth and merger. While this expansion was achieved across the boundaries of the newly created classes, it remained consistent with the initial recruitment base of the union in so far as only minor grades were organised. Four unions organising a total of 385 members were absorbed between 1920 and 1923. These unions organised civil servants that were not regarded as central to the recruitment drives of the CSCA and SCS. In other words, the GMMGA organised around the recruitment interests of the most rapidly expanding civil service unions in the same manner as the principal general unions organised around the established recruitment interests of the craft unions during the same period.

The GMMGA's organisational stability was enhanced through recognition achieved on the Staff Side of the National Whitley Committee. This factor, in combination with the vigorous amalgamation policies pursued by the CSCA and SCS, may have acted to inhibit the merger activity of the GMMGA for no mergers are recorded between 1924 and 1938. The 'openess' of the GMMGA to women, unestablished and ex-service civil servants allowed for a significant rate of natural growth to be maintained which also might have curtailed the interest in an active merger policy.

Four additional unions were absorbed between 1939 and 1944 when a policy of expansion was pursued culminating in the adoption of the name, the Civil Service Union (CSU), the GMMGA title being considered 'unhelpful to recruitment' (Edwards, 1975:23). These four unions organised a total of 166 members illustrating the restricted opportunities available for the expansion of a union's recruitment base by the final years of the implementation of collective bargaining. Two more unions were absorbed in 1950 and 1961. Both of these unions were
rapidly losing members and had not secured recognition on the Staff Side of the National Whitley Committee. Merger for these two unions, therefore, constituted the means whereby their membership could be represented on the Whitley Council. Furthermore, being within the ambit of the CSU's recruitment base precluded the poaching of their members by other civil service unions.

CONCLUSION

The formation rate and merger intensity among unions organising in national government exhibit a wave form in their pattern of occurrence. Unlike the aggregate pattern, however, the dissolution rate shows greater stability with no marked wave form. The evidence suggests that this divergence is likely to be based upon the stability inherent in civil service employment which acts to limit the onset of organisational instability arising from membership decline and the adoption of active merger policies by surviving unions which absorbed many of those unions incurring a membership loss. The departmental recruitment bases of the original unions in national government combined with the 'standardising' effects of civil service reorganisation and the paucity of such unions with full-time staff facilitated the achievement of these mergers.

Structural turbulence among unions organising in national government was most pronounced during the formative period of the industry's unionisation. This coincided with both the introduction of formal bargaining arrangements and the reorganisation of the existing structure of civil service employment. The road to the achievement of formal bargaining in the form of Whitleyism was marked by several intermediary stages, each of which is associated with the formation of
new unions. Some evidence is available suggesting that unions were first formed among the lower grades of civil servants, those organising the higher grades being formed at a greater rate as progress towards formal bargaining was advanced. The stimulating effect of civil service reorganisation on merger activity is beyond doubt. That this factor is omitted from the regressor COMER partially explains the failure of the variable to meet theoretical expectations in the equations presented in Chapter 4.

Three waves in the merger intensity of unions organising in national government are recorded. The first is associated with the formative years of unionisation in the industry. The second is largely comprised of the single merger by means of which the IPCS was formed. As with the first merger wave the formation of the IPCS can be attributed to the reorganisation of the grading class structure within those sections of the civil service in which IPCS members were employed. The third wave in merger intensity lasting between 1971 and 1979 is similar in character to the second principal wave in aggregate merger activity. This suggests that the wave was stimulated by the threat of financial insolvency of the smaller unions with limited recruitment bases.

The examination of merger activity among the principal unions organising workers in the clerical and executive classes revealed a number of points of similarity. Firstly, three of the four unions examined were formed by mergers of competing unions and all the unions employed a merger strategy as a means to expand upon their initial recruitment bases. These expansions were, however, restricted by the class structure of civil service employment introduced in 1920. Even during the operation of institutionalised industrial relations merger
initiatives intended to cut across these class boundaries have failed. The rigid demarcation inherent in these class distinctions has, however, acted to limit competitive recruitment.

Secondly, where repeated merger negotiations were unsuccessful formal federal structures were established to curtail the negative effects of competitive recruitment. Such structures were usually preceded by the operation of less formal closer working arrangements. Although there was a marked variation in the duration of their existence, the principal federations were dissolved on the merging of their primary affiliates, confirming the view advanced in Chapter 6 that federations can be seen as intermediary between organisational independence and merger. It should be noted that the commonality in the terms and conditions of employment within the civil service is likely to promote this tendency.

The achievement of a large membership size facilitates the securing of employer recognition. This is particularly the case regarding the achievement of a large membership size relative to that of other unions organising within the same class of civil service employment. Membership also confers organisational stability in circumstances of competitive recruitment. As mergers are the quickest route to an increase in membership size, they can, therefore, be seen as both a policy option to achieve recognition and are promoted as unrecognised unions seek formal representation for their memberships by merging with their recognised contemporaries.
FOOTNOTES

1. There were two unions named the Civil Service Union. The first merged with the Clerical Officers' Association to form the Civil Service Clerical Association in 1921. The second arose from the renaming of the Government Minor and Manipulative Grades Association. Both are independent of one another and do not directly impinge upon each others' development.
CONCLUSION

The conclusion to the study consists of three sections. The first is an overview of the major findings arising from the research. To be consistent with earlier chapters there are three sub-divisions to this initial section, covering the implementation of collective bargaining, the operation of institutionalised industrial relations and the inter-relationships between trade union structural events. Such sub-divisions allow the nature of the merger process and its association with the environmental influences to be contrasted between the two periods. The sub-division on trade union structural events directs attention towards the similarity in this pattern of occurrence between the two periods, suggesting that despite fundamental changes in bargaining structures there is some consistency in causal relationships.

The second section reviews existing explanations of the aggregate merger process by comparison with the findings unearthed during this study. The central purpose of this review is not to dismiss these existing explanations in the light of new evidence but to extract from them aspects which can be integrated to form a more comprehensive understanding of the merger process. These explanations are, therefore, not counterposed against one another in an attempt to formulate an understanding based on the opposition of different sets of variables, but are integrated, employing aspects of existing explanations consistent with the data.
The third section considers likely future trends in merger activity. The focus of this section is upon the developments in the environmental influences since the election of a Conservative government in 1979. Where possible, examples of recent mergers and merger initiatives are drawn upon to illustrate the current issues central to the creation of tension within union structure.

AN OVERVIEW OF FINDINGS

Trade union structural events - mergers, formations, dissolutions and breakaways - occur in waves. Two principal merger waves were identified, 1918-1924 and 1966-1983. A third wave in trade union merger activity was attributed primarily to the formation of two unions - the NUM and IPCS - and hence disregarded. An explanatory framework was established in which the period 1893-1983 was considered in terms of two long economic cycles. The first of these, 1893-1939, was regarded as being characterised by the implementation of collective bargaining whereas the second, 1946-1983, features the operation of institutionalised industrial relations. Each long economic cycle included a wave in the intensity of merger activity. In addition, during the implementation of collective bargaining, two dissolution waves and a single formation wave were recorded. A second formation wave was inferred from the sharp decline in the formation rate between 1897 and 1900. The operation of institutionalised industrial relations included a single wave in the rate of both formations and dissolutions.

Arising from a literature review, two categories of influence upon the merger process were delineated: environmental and organisational. As the focus of this study is upon the merger process in the aggregate, the
analytical emphasis was placed upon the operationalisation of the environmental influences. Three types of environmental influence were operationalised: economic, unionisation and political. The relative neglect of the impact of the organisational influences has its basis in the primary focus of the study: the aggregate merger process. This is not to imply that the organisational influences are not pivotal to merger activity but to argue that particular organisational influences impinge upon specific mergers rather than all mergers. In other words, the impact of the organisational influences cannot be generalised across the entire merger process at any specific point in time. Moreover, organisational influences are regarded as changing over time as trade union structure and purpose develop.

The Implementation of Collective Bargaining

During the implementation of collective bargaining the application of regression analysis indicated that the merger process was most sensitive to the impact of unionisation and political influences. Economic influences were found to be mediated in their effect upon the merger process by the unionisation influences. Particularly significant in this regard was the rate of change of union membership, thereby confirming the impact of economic factors on membership growth which was the central focus of several earlier studies. The marked sensitivity of merger intensity to the influence of unionisation and political factors suggests that organisational stability and its preservation were central to the pattern of merger intensity and that membership activity also strongly impinged upon the form of this pattern.
By comparison with the operation of institutionalised industrial relations, geographical merger activity was pronounced during the implementation of collective bargaining. This was anticipated as the rise of collective bargaining is regarded as promoting a centralisation within trade union structure. The vertical dimension of the merger process was dominant throughout the implementation of collective bargaining, whereas the horizontal component was marginal. Diversifying mergers increased as a proportion of the aggregate merger process throughout the long economic cycle. The increase was particularly marked during the post-war depression with the formation of the general unions. The tendency towards increase in the diversifying proportion of merger activity continued during the downswing in the long economic cycle, suggesting that adversity in economic circumstances promotes a broadening in recruitment base.

The wave in merger intensity during the implementation of collective bargaining, merger Wave 1, was distinguished by substantial realignments within trade union structure. A high incidence of composite mergers and unions formed by merger, the merger activity of the ten largest unions and the inter-merging of recently formed unions during merger Wave I are all indicators of the pronounced degree of structural realignment. A number of factors are associated with the attainment of this realignment, particularly the sharp decline in the number of trade union federations, indicating that merger activity during merger Wave I was directed towards the formalisation of existing loose structures. The inter-merging of recently formed unions during merger Wave I was primarily directed towards the attainment of organisational stability through the achievement of recognition and
bargaining status. In other words, the state, through its implementation of the Whitley recommendations regarding bargaining structures, acted to stimulate merger activity among the smaller unions. This effect was assisted by the passing of the Trade Union (Amalgamation) Act 1917 which immediately pre-dated the sharp rise in merger intensity.

The 'new unions' of 1889-93 had pursued political campaigns from the outset as a means of achieving improvements for their memberships while compensating for their lack of direct bargaining strength. By affiliating in federations the effectiveness of this influence was enhanced. Due to dissension within these federal structures, however, collective inter-union action was hampered. The centralisation of industrial relations on the implementation of collective bargaining accentuated the problems arising from the factionalism within federal structures. Merger for the labourers' unions was, therefore, the mechanism whereby their organisation was reinforced to secure benefits from the formalisation of bargaining arrangements, the centralisation implicit in merging acting to reduce the effect of the inherent instability of the federal structures.

Organisational instability during the implementation of collective bargaining was examined by applying regression analysis to two of its dimensions: the dissolution rate and trade union finances. In addition, the promotion of organisational instability through internal political differences was examined. The regression results indicated that mergers and dissolutions are promoted by similar environmental influences, confirming the view that merger is a means whereby the decline towards organisational instability can be arrested. The component of union financial expenditure most closely associated with the pattern of merger
intensity was that of 'other costs'. Since a principal component of 'other costs' is administrative expenses, this association suggests that the introduction of national pay bargaining was influential in the promotion of merger activity, for such bargaining necessitates the constitution of union administrative systems.

The nature of this association was examined within the context of the impact of the external economic influences and internal union politics. Economic factors were found to influence the development of workshop organisation within certain craft oriented sectors of the trade union movement; a tendency exacerbated by the separation of procedural and substantive issues within the development of bargaining. Workshop organisation transcended the sectional boundaries of national union organisation in so far as it was comprised of representatives from several unions constituted on the basis of a plant or more widely shared interests rather than the particular interests of a craft. In other words, the overcoming of the more pronounced constraining effect on merger activity among craft-oriented unions of the organisational influences was assisted by the emergence of workshop organisation which threatened to undermine the benefits accruing to union officialdom arising from the implementation of collective bargaining.

The Operation of Institutionalised Industrial Relations

During the operation of institutionalised industrial relations, merger intensity was most sensitive to the influence of economic and political factors. The signs attached to the political regressors, CON and MP, however, were opposite to those recorded for the implementation of collective bargaining, indicating the changing purposes to the merger
process. Moreover, the institutional aspects of unionisation rather than those associated with fluctuations in aggregate membership had a more marked impact on the pattern of merger activity. The variation in the pattern of association between the environmental influences and merger intensity across the two long economic cycles indicates that the stage reached in the development of bargaining is a mediating factor upon the nature of trade union structural realignment and the environmental influences. Furthermore, the changing pattern of influence of the environmental variables suggests that the purpose to which a merger policy is directed is not a constant but varies with the development of bargaining institutions.

The shape of the merger process exhibits similar tendencies during institutionalised industrial relations as during the implementation of collective bargaining. The horizontal component was limited whereas the vertical component was dominant. During the downswing of the economic long cycle the diversifying component constituted a greater proportion of the total merger process than during the upswing when it was marginal. This consistency between waves suggests that independently of the stage of development attained by bargaining institutions, economic adversity encountered during the downswing acts to promote a diversification within trade union recruitment bases.

Merger Wave II differed substantially from its predecessor. Merger activity between 1966 and 1983 was characterised by the acquisition of unions into union structures extant prior to the onset of the wave. Composite mergers, unions formed through merger and the inter-merging of recently formed unions were infrequent by comparison with their occurrence during merger Wave I. The object of much of this merger
activity appeared to be the attainment of influence at the political centre, a policy option made more desirable by the enhanced factionalism within both the TUC and the Labour Party. The achievement of increased relative membership size was the key to the establishment of this influence; merger was the means whereby this increase could be most rapidly attained. Furthermore, during merger Wave II the maintenance of trade union organisational stability was, in part, a function of the policies enacted by the TUC. These policies, dominated in their formulation by the influence of senior officials from large unions, prevented smaller unions from affiliating to the TUC and thereby restricted their recruitment bases.

That small unions are particularly unstable during the operation of institutionalised industrial relations was illustrated, firstly, by the strong positive influence of the formation rate upon the dissolution rate and, secondly, by the strong association between merger activity among unions from Size Group 1, organising 2,499 members or less, and the formation rate. In addition, the formation rate inhibited the acquisition of unions from Size Group 2, organising between 2,500 and 14,999 members, suggesting that union size is a determinant of the ease whereby a union may be absorbed by merger. Further evidence of the institutional effectiveness of TUC hostility to the small union was provided by the limited survival times of breakaway unions.

The substantial rise in the 'other costs' component of trade union expenditure induced a degree of financial instability during the course of merger Wave 2. Evidence was presented to indicate that a factor explaining this rise in other costs was the incorporation of workshop organisation into 'official' trade union structure and government. This
incorporation occurred concurrently with managerial strategies to involve formally representatives of workshop organisation in bargaining and the introduction of legislative changes formally extending the scope of bargaining. In addition to the consolidation of union finances, mergers also assisted in the re-assertion of leadership authority over workshop organisation in so far as they reduced workplace multi-unionism.

The Inter-Relationships Between Structural Events

Trade union structural events are marked by the wave pattern of their occurrence. The 'dating' of these waves is as follows:

FORMATION WAVES 1889 - 93 1917 - 25 1970 - 79
DISSOLUTION WAVES 1899 - 1907 1920 - 33 1973 - 80
MERGER WAVES 1918 - 24 1966 - 83

There are several inter-relationships between these structural events indicated by the pattern of occurrence in the waves. The initial date of each dissolution wave, for example, follows that for the formation waves, suggesting that the impact of the environmental influences promotes dissolution among the inherently unstable recently formed unions. This inter-relationship was confirmed for the three dissolution waves with unions formed during the preceding or concurrent formation wave constituting the most numerous category of dissolving unions. This tendency was particularly marked during the implementation of collective bargaining when a substantial proportion of the unions dissolving during the dissolution waves were recently formed. During the operation of institutionalised industrial relations this tendency was in evidence but
less pronounced due to the absorption patterns of the larger unions during merger Wave II.

Both principal merger waves are concurrent with dissolution and formation waves suggesting that organisational initiative, instability and realignment are broadly simultaneous processes within trade union structure. The initial formation and dissolution waves, however, were not accompanied by a merger wave. Figure 6.4 illustrates that the number of trade union federations rose significantly during and immediately following the dissolution wave of 1899 to 1907. This would seem to suggest that the terms of the 1876 legislation acted to prohibit organisational realignment through merger - a realignment which was achieved instead through the establishment of federal structures. On the relaxation of the legislative provisions in 1917, these federal structures were consolidated by mergers into centralised single union structures.

Each formation wave co-incident with an 'explosion' of unionism into a previously unorganised sector of the national workforce. The wave of 1889-93 represented the initial stages of the organisation of semi- and un-skilled; that of 1917-25 the onset of union organisation into the public sector and limited areas of private sector white-collar employment; and that of 1970-79 the organisation of the professions, scientific and technical workers and workers employed in the service sector. The organisational instability of the unions formed during these explosions was pronounced. Initially, federation and, latterly, merger were the means whereby organisational stability of the 'young' unions could be enhanced. During merger Wave I, the increase in merger intensity was partially explained by the inter-merging of recently
formed unions. In contrast, the impact of the newly formed unions on the intensity of merger activity during merger Wave II was through their absorption into existing union structures.

ALTERNATIVE EXPLANATIONS OF TRADE UNION STRUCTURAL DEVELOPMENT

Undy et al.: The Centrality of the Leadership Role

Undy et al. (1981) restrict their analysis to merger activity during the 1960s and 1970s, a period concurrent with merger Wave II. Their examination is also firmly focused upon internal union organisational dynamics resulting in a relative neglect of the study of the environmental influences and the inter-relationships between environmental and organisational influences. Several specific points of the Undy et al. account of merger activity have been examined earlier in this presentation. Attention is directed here to the explanation provided by Undy et al. of aggregate merger causation.

The formulations of Bain and Elsheikh (1976) and Clegg (1976) regarding the impact of 'external factors' and the 'level and scope of collective agreements' upon trade union development are rejected in favour of one laying emphasis upon a 'significant role to union leadership' (Undy et al., 1981:349). With respect to merger activity, they comment that 'all the unions examined, regardless of their systems of government, were led into mergers by their national full-time officials' (1981:214). This position is developed by adopting the stance that trade union leadership exerts a relatively independent influence upon trade union development. Furthermore, those external 'agents for change' that stimulated the pursuit of mergers 'made themselves felt at the national level mainly through those processes that by-passed the
constitutionally prescribed policy-making channels' (Undy et al., 1981: 214).

The primary agents for change are absolute and relative membership size. Given that there is little discussion of the inter-relatedness of other factors, it is difficult to understand how the occurrence of merger waves is to be explained. In an attempt to resolve this dilemma, Undy et al. state that

Mergers, however, gathered considerable momentum of their own as the past absolute and relative size changes interacted with the existing structure of UK unions to produce a scramble for mergers that developed its own dynamic. The individual merger was turned by this combination of circumstances into a merger movement. In the first instance, a merger stimulated by absolute size reasons disturbed another union's relative size considerations. These disturbed unions, in turn, sought mergers in order to restore the status quo in respect of their relative size, or to reduce the competitor union's recently gained size advantage (1981: 215-16).

In adopting this explanation the authors do not allow for the periods during which merger intensity has slackened. For, if merger activity has 'its own dynamic' which gathers 'considerable momentum' based upon absolute or relative size considerations, there is no reason to suggest that merger activity will ever slacken once started. Indeed, the logic of their position is to suggest that once unions have started to merge they would continue to do so with an increasing momentum. In other words, Undy et al. do not allow for the wave form of merger activity and, in particular, the decline in merger intensity after 1977 recorded in Figure 2.1.

The evidence provided in this study suggests that there are more change agents than are conceded by Undy et al. For example, the role of the trade union leadership in the promotion of merger activity during merger Wave II would appear to be of intervening rather than independent
status. While the legislative involvement in the merger process necessitates an executive role in ratifying any merger agreement, this does not mean that this role is causal even though it may be ubiquitous. Chapters 6 and 8 demonstrate that a combination of factors influenced trade union leaderships in the pursuit of mergers. The enhanced strength of workshop organisation raised three inter-related issues which pivoted around trade union leadership: managerial prerogative, a governmental concern with industrial relations, and a weakening of the authority of trade union leaders within the unions themselves thereby threatening relationships within the national polity. The incorporation of workshop organisation within formal bargaining and union structures promoted an interest in mergers as a mechanism whereby such an incorporation might be facilitated. The growth in strength of workshop organisation which promoted this interest in merger, however, arose from a combination of factors, most notably relatively-full employment. The leadership role within the merger process was, therefore, intermediate among a series of factors, the inter-action between which promoted merger activity.

Further evidence of the Undy et al. account's failure to incorporate the broader implications of the environmental influences upon merger activity arises from their defense of the impact of absolute and relative size changes. A decline in membership coupled with rising inflation, Undy et al. argue, threatens the financial viability of unions. They state that the unions' 'common problem was that they could not independently maintain or improve their existing levels of services and benefits over the short or medium term' (1981:214). The point is, as was evidenced in Chapter 8, that in real terms the 'threshold of union solvency' rose substantially during the course of merger Wave II because
of the additional costs incurred in incorporating workplace organisation into formal union and bargaining structures. A decline in membership is, therefore, only one aspect of the processes impelling unions towards merger in this period. Indeed, if the real level of contributions were to remain constant, given the rise in administrative costs, a stagnant membership would prove insufficient to maintain financial viability.

In summary, the Undy et al. account of merger activity isolates some of the factors that impinge upon its occurrence. Undy et al., however, fail to acknowledge the broader range and impact of the environmental influences because of their over-emphasis upon the organisational aspects of the merger process, a failure which also precludes an understanding of the relationships between the environmental and organisational influences. The emphasis placed upon the leadership role within the merger process has some validity in so far as all merger proposals are subject to executive ratification. It is to overstate the case, however, to argue that trade union leadership exerts an independent causal influence, for the leadership acts within a complex of both environmental and organisational influences; hence its impact is of intervening status.

Collective Bargaining

Clegg (1976:8) maintains that variations in union behaviour can be explained in terms of differences in the character of collective bargaining. Union structural realignment is explicitly regarded as a component of union behaviour in the statement that 'another aspect of union behaviour...not so far... mentioned in relation to the theory of union behaviour under collective bargaining is union structure'
Amalgamations occur, according to Clegg's thesis, 'due to the pressures of internal union politics, or to boundary revisions inspired by doctrines of union organisation' (1976:10). Unfortunately, Clegg is not specific regarding the impact of these pressures upon merger activity. Certain propositions, however, may be derived from Clegg's consideration of union government. For example, he concludes that 'although union constitutions and methods of administration have an effect on the distribution of power and the extent of factional conflict within unions, the theory contends that the level of bargaining is the primary explanatory variable' (1976:54).

If internal union politics are a function of the 'distribution of power and the extent of factional conflict within unions', it is to be concluded, given Clegg's other propositions, that the level of bargaining is the determinant of mergers. Moreover, as 'the main influence upon the level of collective bargaining is the structure of management and employers' organisations' (1976:54), the determination of mergers may be represented as follows:

structure of management and employers' organisations → variations in the level of collective bargaining → pressures on internal union politics → merger activity

Furthermore, Clegg acknowledges the 'waves of amalgamation' that have occurred during the history of British trade unionism, thereby implying that there is cyclical variation in the pattern of the determinants.

Evidence is available to support Clegg's contention. Merger Wave I was co-incidental with the establishment of the Whitley Committee in 1917 and the later implementation of its recommendations. Additionally, Bristow (1974:273-4) reports a burgeoning in the number of profit-
sharing schemes in an attempt to involve workers in the running of firms during the years 1912-14 when merger intensity began to rise sharply. Ramsay (1980:111) also points out that the zenith of Whitleyism was passed by 1926 when only '47 of the 78 established schemes remained', a date not dis-similar to that for the culmination of the merger wave. Similarly, merger Wave II was concurrent with the onset of productivity bargaining, 'Donovanism' and experiments with industrial democracy. It would appear, therefore, that variations in the level of collective bargaining are co-incidental with intense periods of merger activity.

It might also be speculated that differences in the form of the bargaining changes could account for the variation in the pattern of merger activity among the ten largest unions between the two waves. Whitleyism involved the establishment of national industrial bargaining structures necessitating a centralisation of authority within union structure in order to maximise effectiveness within the union side. Such authority was attained by the inter-merging of large unions to reduce the multiplicity of executives. The impetus of bargaining arrangements instigated during merger Wave II was directed towards the incorporation of workplace organisation within 'formal' bargaining and union structures. During the same period merger activity among the ten largest unions primarily took the form of the absorption of smaller unions into existing structures, the achievement of the goal to which changes in bargaining were directed.

There are, however, a number of areas of shortfall in Clegg's explanatory framework. For example, Ramsay (1980) identifies two further periods of fluctuation in the level of collective bargaining which are not associated with widespread merger activity. These were 1889-92, when
there was a sharp rise in the number of profit-sharing schemes involving participation, and the joint consultation arrangements of World War II embodied in the Joint Production Committees. In partial mitigation of Clegg's explanation it should be noted, however, that the first of these periods was marked by a wave in the formation rate and constitutes the third of Cole's (1924:77) 'closer unity' movements distinguished by the establishment of trade union federations.

Variations in the level of collective bargaining cannot, therefore, be regarded as the conclusive explanation for the observed pattern in merger intensity. Furthermore, as Korpi (1974:1569) has concluded, the establishment of a particular bargaining structure is a function of the balance of power between workers and employers existing prior to its implementation. In other words, a particular bargaining structure, once established, may influence the pattern of merger activity but any bargaining structure is itself a function of the conflicts existing prior to its establishment. The patterns of strike and merger activity during the operation of institutionalised industrial relations illustrate the point. Workplace organisation came to be perceived as an industrial relations 'problem' during the late-1960s as a result of the disrupting effects on production of 'unofficial' trade union activity. A variety of measures were introduced with the object of incorporating workplace organisation into formal union and bargaining structures thereby establishing a 'new' bargaining structure. In consequence, union structural realignment was stimulated. The point here is that the alterations in bargaining structure were promoted by conflicts between workplace trade unionism and employers, the object of the alterations being defined by the nature of the conflict.
The level of bargaining structure also does not provide an adequate explanation for other dimensions of the merger process, most notably merger shape. Chapter 5 demonstrated that within both of the delineated periods, the implementation of collective bargaining and the operation of institutionalised industrial relations, the diversifying component of the merger process became more pronounced during the downswing of the long economic cycle. In other words, while the alteration in bargaining structures differed between the two periods, the shape of merger activity remained similar. Furthermore, regression analysis has demonstrated that merger intensity is also associated with short- and medium-term business cycle fluctuations which the explanation based upon the level of collective bargaining does not address. Business cycle fluctuations influence the relative bargaining positions of both workers and employers with a degree of cyclical regularity inducing similar patterns within that of merger intensity. This suggests that not only bargaining structure, but also the objects of bargaining and the relative success of the parties to it in achieving these, influences the merger process.

The collective bargaining and economic explanations can, however, be combined to provide a complementary explanation of the various aspects of the merger process. The focus on a single explanatory factor to the exclusion of others necessarily leads to an oversimplification of any explanation of merger activity. Moreover, the primacy assigned by Clegg to developments in collective bargaining leads to a relative neglect of the 'creative role of the main parties in industrial relations (union members, representatives and officials; employers and their organisations; and the state and the legislature) in shaping both
collective bargaining institutions and actual behaviour within the constraints of a wider set of environmental exigencies' (Poole, 1981: 88). Korpi (1974) has illustrated that a variety of economic factors can be integrated within a broader explanation incorporating aspects of both conflict and bargaining accounts of strike activity. It is towards this incorporation regarding merger activity that the subsequent section is directed.

Expanding Upon the 'Level of Bargaining Account'

The merger process exhibits a constancy in shape throughout the two delineated periods suggesting that the influences impelling unions to merge in particular directions do so in a similar pattern during each long economic cycle. Two explanations to this constancy in shape can be derived from existing literature. The first is that offered by Bernstein (1960) based on the notion of 'structural cycles'. The second explanation is founded upon the intensity of struggles for job control; the thrust of the argument being that mergers, as a means whereby bargaining strength can be enhanced, are entered into to improve relative bargaining position. Both are related and are not exclusive to the explanation based upon the level of collective bargaining as the following discussion illustrates.

Bernstein (1960) delineates periods of union membership growth into two distinct categories: one associated with the 'long run passage of time', the other with 'crisis'. These two periods are also dividable in terms of the extent of structural realignment that occurs, for as Bernstein states

When unions are growing slowly and steadily, they need make only slight changes in form to accommodate themselves to their
environment;... With crisis, however, both the rate and direction of growth shift drastically. As a consequence, the really critical developments in the morphology of unions... tend to cluster in these brief time spans (1960:73).

The causation of crises is sub-divided into 'periods relating to social unrest' and 'wartime', with the former being particularly associated with union structural changes such as mergers, jurisdictional changes and union formations. Bernstein traces the underlying cause of social unrest and, therefore, crisis to economic factors such as increases in industrial concentration, high inflation and the rate of unemployment. Compounding the impact of these economic factors, Bernstein suggests, are the effects of political policies enacted to ameliorate economic hardship. In combination these factors have induced 'workers and their trade union leaders [to embark] upon adventures in organisation only in those short spans of time when they have been so disillusioned as to challenge the existing social order' (Bernstein, 1960:88).

While Bernstein writes of American trade union development there are a number of points arising from his analysis salient to the history of the British trade union merger process. Firstly, the onset of both merger waves was marked by the co-incidence of adverse economic and political circumstances for labour. Merger Wave I was preceded by the labour unrest of 1910-1914, argued by Hobsbawm (1964:126-57) to have arisen from the failure to meet economic aspirations, and co-incided with the heightening of governmental intervention in production as the result of wartime stringencies. Similarly, the onset of merger Wave II marked the termination of the period of pronounced economic growth stemming from World War II and the definition, by successive
governments, of industrial relations as an issue requiring political intervention.

Secondly, Bernstein alludes to the coincidence of trade union structural events, in particular that of mergers and formations. This study not only demonstrated a similar coincidence but has also illustrated that increases in the rate of union formations have a direct and positive effect upon mergers in so far as recently formed unions have a high propensity to merge, albeit in different circumstances in the two merger waves.

Thirdly, the dating of the periods of social unrest in America bears some resemblance to those experienced in Britain. Bernstein notes 1884 to 1886 and 1917 to 1920 as periods in which trade union structural development was most marked. By comparison, 1889-93 and 1918-24 are the periods associated with the formation of the labourers' unions and merger Wave 1. Writing in 1960 Bernstein was clearly unable to cover the later periods of intense trade union structural development. The point here is that the structural cycles identified by Bernstein for America are replicated in Britain in terms of causative agents, the conjunction of economic and political events; in terms of effect, the formation and merging of unions; and in terms of date. The question arises, therefore, as to the nature of the processes underlying this cyclical pattern of events.

In analysing strike activity in the United States, Edwards (1981:233-42) suggests that issues of job control constitute the central explanatory thread to its pattern. In so doing, he counterposes a job control interpretation of strike activity to a political explanation as,
for example, advanced by Shorter and Tilly (1974). This simple dichotomy is rejected here. The initial purpose is to sustain the position that job control and political explanations are mutually inter-dependent. This position is then expanded with specific reference to the pattern of merger activity.

Two notions regarding the concept of job control emerged from the debates in academic industrial relations during the 1970s. In its broader sense job control refers to workers domination over production necessitating a relative decline in the authority of management. More narrowly the concept refers to the capacity to maintain a degree of autonomy within the immediate work environment. The two notions are, however, historically connected for job control in the narrow sense emerged from an earlier failure to achieve job control in the broader sense. The political component to the notion is, therefore, necessarily involved for integral to the failure to achieve job control in the broader sense was the withdrawal from the direct conflict for power at the national polity. 'The institutionalisation of industrial conflict is nothing more nor less than the narrowing down of conflict to aggressive economism and defensive control' (Mann, 1973: 21). In other words, job control in the narrow sense is a political outcome of the failure to achieve job control in the broader sense.

Regarding merger activity, the evidence to support this position arises from two sources. Firstly, after the implementation of collective bargaining the signs attached to certain of the political regressors change, suggesting that the nature of the relationship between trade unionism, together with its capacity for structural change, and the national polity alters. The combined evidence from Chapters 4 and 6
suggests that during the implementation of collective bargaining trade union organisational stability is dependent to a degree upon political circumstances. In contrast, during the operation of institutionalised industrial relations one of the purposes of merger activity would appear to have been to attain influence, by means of increased membership size, within the Labour Party and TUC, thereby influencing the national polity. This objective became more central to union purpose during merger Wave 2 as government intervention in industrial relations increased and factionalism within the Labour Party developed as policy differences surfaced as to the means whereby 'free collective bargaining' could be protected within a context of government intervention. The impetus for merger activity directed towards enhanced Labour Party influence did not arise from workplace organisation but partially in response to the disrupting influence of workplace organisation on formal bargaining and union structures.

The second source of evidence regarding the inter-relationship between the job control and political explanations of trade union behaviour allows for further integration of aspects of the bargaining account of trade union structural development. Ramsay (1980) shows that innovations in the procedures of worker participation have been cyclical in their pattern of occurrence. While Allen (1971:65-82) supports Ramsay's position with evidence from the nineteenth century, attention is focused here upon the two cycles co-incidental with the two merger waves.

The onset of Whitleyism was preceded by a period of mounting pressure on employers and management. The ideas of syndicalism and Guild Socialism were influential in spreading the economic basis to the labour
unrest of 1910-1914. The outbreak of war further heightened this pressure as the bargaining position of trade unionism was further strengthened by full employment. While both employers and governments were able to exert 'heavy moral pressure [on unionists] to co-operate in a... common interest' (Ramsay, 1980: 109), the incidence of strikes rose. Whitleyism, therefore, emerged as a measure to reduce mounting pressure exerted by organised labour on employers, thereby facilitating the prosecution of the war effort. The growth in both the number and coverage of the Whitley Councils as is recorded by Charles (1973), was marked, providing union organisational stability.

While Whitleyism became quickly established, it also declined with some rapidity. Furthermore, Child (1969: 48) notes that 'even before 1920, it was becoming obvious that some employers had only dealt with the idea of shared control [inherent in Whitleyism] as a device to buy time'. The Balfour Committee reinforced this view stating that

the decline in the number of Works Committees would appear to have been fairly rapid since 1920, and it is probably true to say that they have only survived in establishments in which there is a very definite desire on the part of both managements and workpeople to make the Committees a success (quoted in Clegg, 1985: 441).

Coupled with and associated to the rapid loss of employer interest in Whitleyism was the government's support for strategies implemented to weaken union effectiveness represented in their most extreme form by 'strike breaking machinery' (see Desmarais, 1973). In other words, when post-war changes in economic circumstances swung in favour of employers, their interest in Whitleyism declined to be replaced by a reliance upon these economic circumstances to promote union moderation. To employ Bernstein's terminology, a crisis of job control arising from the
particular conjunction of economic and political circumstances was temporarily ameliorated by the implementation of bargaining arrangements in the form of Whitleyism, the structures of which were neglected when the sources of the crisis had abated.

The threat to management prerogatives was also a theme of industrial relations at the time of merger Wave II. The enhanced strength of workplace organisation arising from relatively-full employment coincided with a 'crisis of productivity' which, in turn, induced a political interest in industrial relations. A plethora of innovative bargaining strategies were implemented to repeat the incorporation attained by the Whitley approach. These were supplemented by a number of legislative enactments facilitating and promoting the introduction of bargaining innovation. Issues covered within such strategies included health and safety, productivity improvement, training and welfare but fell short of financial planning thereby safeguarding central management decision making. The election of a Conservative Government in 1979, which was hostile to the achievement of any consensus with trade unionism, and the deterioration in labour market conditions weakened the position of trade unions. Management and government interest in new forms of participation again receded in the light of this diminution of union bargaining strength.

Suggestions Towards an Integrated Explanation of the Merger Process

In the previous sections explanations of the merger process founded upon the centrality of a single factor were shown to provide only a partial understanding of the merger process. Furthermore, the earlier data analysis suggest that the opposition of economic, unionisation and
and political variables is a fruitless avenue in the search for an explanation of merger activity. Such analyses, however, point to the development of an explanation based upon the integration of explanatory factors. Indeed, the evidence suggests that the manner in which such factors combine during the two periods is subject to some variation. Aspects of existing explanations of the merger process were found to be both consistent with the evidence provided and with components of other explanations. For example, the cyclical nature of the bargaining and job control accounts of structural development were found to be quite compatible.

The purpose of this section is, therefore, to develop further the explanation of merger activity through the combination of these abstracted components of existing explanations. Underpinning this development is the notion of the long economic cycle. For ease of description the discussion is arranged schematically. Three features of the processes underlying merger activity have been shown to be central. Firstly, particular combinations of economic and political circumstances promote changes in the institutions of collective bargaining coincidental with which are peaks in the intensity of merger activity. Secondly, the character of merger activity is similar to the policy objectives stimulating the introduction of the 'new' collective bargaining institutions. Thirdly, the similarity in the shape of merger activity during both the implementation of collective bargaining and operation of institutionalised industrial relations indicates that while the nature of the changes in bargaining was dis-similar other factors impinged upon the merger process in a consistent pattern during both periods.
Regression analysis demonstrated that the impact of the economic influences was mediated by that of the unionisation influences during the implementation of collective bargaining but was more direct during the operation of institutionalised industrial relations. Furthermore, in both periods the impact of workshop organisation on the merger process was found to have its basis in the effect of economic circumstances on the capacity to maintain or improve standards of living. It would, therefore, appear reasonable to commence the development of an integrated explanation of the merger process with an elaboration of the cyclical movements in economic indicies which promote these effects.

The starting point lies in the outline of long economic cycles provided in Chapter 2. In broad terms each long cycle is comprised of two periods: a period of economic upswing and an economic downswing of similar duration. Within the two long economic cycles covered by this study, the turning points from upswing to downswing were around 1913-14 and 1967-68. Both merger waves immediately follow the onset of the downswing whereas the upswings were relatively free of merger activity. Dunlop assumes that during the upswings each successive business cycle peak is higher than its predecessor, the converse applying during the downswing (1948:191). During the period of change from the upswing there is a slowing in the rate of expansion as the long cycle peaks.

This period of slowing in economic growth is crucial with respect to the merger process in several respects. Firstly, managements and employers experience a tightening in profit margins reducing their capacity to meet trade union demands for improvement in terms of employment. Prior to World War I this was expressed as 'the continued fall in the rate of growth of productivity' (Clegg, 1985:25) and as a
'crisis of profitability' during the operation of institutionalised industrial relations (Glyn and Sutcliffe, 1972). Secondly, the general expansion experienced during the upswing promotes heightened expectations and aspirations among trade unionists. These expectations are not met as the upswing peaks because of the tightening of economic pressures on managements and employers. As a result strike activity is pronounced, as evidenced by the labour unrest of 1910-1914 and the growth in the frequency of unofficial disputes during the 1960s and early-1970s. Differences in the character of the disputes throughout these two periods, as was discussed in Chapters 7 and 8, is partially explained in terms of the stage reached in the development of trade unions as intermediary organisations.

Thirdly, and arising from the preceding two points, strategies are implemented to ameliorate the heightened degree of conflict. Hence Ramsay (1980) regards both these periods as peaks in the cycle of innovation in mechanisms of worker participation. Such policy innovation is not the result of the actions of a single party to industrial relations but arises from combined activity. Facilitated by the involvement of some trade union leaders and employers in the organisation of war production, policies were enacted during merger Wave I on the initiative of the wartime coalition government. During merger Wave II innovative policies were 'successful' partly because of their triple-headed character with particular, but corresponding, initiatives being launched by governments, employers and trade union leaders.

While the object of these policy reforms was the regeneration of previous rates of economic growth, the institutional modifications were primarily directed towards the reform of bargaining arrangements.
Clearly, the nature of this reform differs between waves as the result of both the form of industrial conflict preceding it and the stage of development of the institutions within which the conflict is expressed. Furthermore, the period over which the rate of institutional reform was maintained with alacrity was limited to that marking the turn from the upswing to the downturn. Once the economic downturn was firmly established the deterioration in the relative economic position of trade unionists precluded their exerting a similar degree of bargaining pressure upon employers thereby eliminating the need for the ameliorative effects of the bargaining reform. Interest in the maintenance of these institutions, therefore, declines.

Alterations in the methods of collective bargaining directly impinge upon trade union organisation creating internal tension. This tension is additional to that arising from the conflict that underpins the initial bargaining alterations. For example, during the implementation of collective bargaining industrial conflict generated organisational instability through its impact upon internal union authority relationships and the promotion of disputes within existing federal forms of union organisation. Similarly, organisational instability during the operation of institutionalised industrial relations arose from the increased factionalism within the TUC and Labour Party which promoted a desire to achieve greater influence and the challenge to the authority of trade union leadership within the unions themselves.

In order to regain or maintain organisational stability within the context of changes in collective bargaining institutions and internal tension, trade unionists adopt the policy of merger. On both occasions
of intense reform of bargaining institutions, such a policy has been facilitated by the relaxation in the legislative requirements to its enactment, illustrating the degree of co-operation within the national polity between the interested parties. The character of merger activity during the two merger waves differs. These differences are largely explained in terms of the nature of the industrial conflict preceding each merger wave and the collective bargaining institutions introduced, as was evidenced by the different patterns of merger activity among the ten largest unions and recently formed unions between the two waves.

Further variation in the form of merger activity between the two merger waves is explained in terms of the stage of development attained by trade union organisation. For example, the impact of environmental economic influences was more direct during institutionalised industrial relations whereas it was mediated by the unionisation influences during the implementation of collective bargaining, suggesting that organisational stability was more prone to membership fluctuation in the earlier stages of union development. The variation in the pattern of association between the environmental influences and merger activity among different union size groups during institutionalised industrial relations suggests that the capacity to maintain organisational stability is closely related to membership size. Given that average union membership size shows a tendency to increase throughout the period under study, it would appear that variation in membership size may account for the mediating effect of the unionisation influences during the implementation of collective bargaining.

In assuming trade unions to be intermediary organisations, it follows that the relationship between the leadership and the membership
is not constant throughout the two delineated periods. This variation is also influential in accounting for the changing nature of the merger process. Among certain craft unions, for example, the membership directly influenced the pursuit of a merger policy during merger Wave 1 whereas during merger Wave 2 such influence was not recorded. Furthermore, the leadership influence on merger activity during merger Wave 2 was bolstered by their impact upon the formulation of TUC policy which effectively precluded 'new', emergent unions from establishing their recruitment bases.

THE FUTURE

Throughout the preceding chapters organisational instability has been shown to be the key factor mediating the promotion of merger activity. Four inter-related influences stimulate the onset of organisational instability: the failure to maintain a viable growth policy; inter-union competition for membership; the failure to achieve recognition for bargaining purposes; and the lack of union financial viability. Assuming that organisational stability remains dependent upon these factors, the purpose of this section is to speculate as to the likely pattern of merger activity over the next decade.

Since the election of a Conservative government during 1979, there has been a substantial rise in the level of unemployment. This rise has been particularly marked in manufacturing where trade union organisation is traditionally well represented. According to the Institute for Employment Research (1985) this trend will continue at least until 1990. The proportion of total employment located in
manufacturing industries is forecast to decline from 23.6 per cent to 21.3 per cent between 1984 and 1990, that in primary industries from 3.8 per cent to 3.3 per cent whereas employment in service industries is predicted to rise from 64.9 per cent to 67.8 per-cent. It is likely, therefore, that unions with recruitment bases restricted to the manufacturing sector will be particularly hard-hit in terms of membership loss.

The rate of technological innovation is also expected to continue apace, thereby further threatening existing union recruitment bases. This threat is heightened, as Chapter 9 demonstrates, during periods of high unemployment and union membership decline. Furthermore, the potential for natural growth is restricted because of the saturation of union organisation and the difficulties of organising in the 'private services', where the bulk of unorganised potential membership is employed. Bain and Price (1983:32) list the obstacles to the achievement of union organisation in this sector as being 'a large number of small establishments, part-time working and high labour turnover, and employer opposition to union recognition and collective bargaining'. Organisational instability arising from the failure to maintain viable growth policies and inter-union competition for membership is, therefore, likely to heighten. Moreover, policies adopted to maintain existing membership and make recruitment inroads into the sectors of potential membership growth are likely to raise further the threshold of union solvency. Evidence that internal union costs are continuing to rise is provided by the recent attempts to merge branches within unions in order to restrict the rate of increase of such costs (The Guardian, 5 January, 1987).
Compounding these tendencies are the policies adopted by governments and employers. The legislative changes enacted by the Conservative governments since 1979 have weakened the relative bargaining strength of unions. Additionally, the high rate of extension of union recognition, witnessed during the 1970s, has now been curtailed as unions are no longer able to rely upon statutory procedures to assist them in recognition disputes, and legislative measures have been introduced to restrict the closed shop. The effect of the recent dispute at Wapping on the organisational instability of the printing unions, SOGAT and NGA, illustrates these tendencies, albeit in a pronounced form. News International, the employer, was able to introduce technological change, relocate the work site and achieve a reduction in employment levels while relying on recent legislation to support its actions. The resultant dispute has undermined the financial viability of the principal printing unions which are now engaged in merger negotiations.

While these influences point towards an increase in merger intensity in the immediate future, marked counter-tendencies are also in evidence in the form of organisational influences. Differences in policy between executives were cited as preventing further progress on the NUT/NAS, UWT merger; the EETPU pulled out of merger negotiations with the AEU, fearing 'a loss of identity' (The Guardian, 1 October, 1986: 3); while the proposals to form 'Union 2000', involving the AEU, APEX, UCATT and IPCS, have been rejected by the executives of UCATT and IPCS because a satisfactory representative structure could not be agreed. Similarly, the SOGAT/NGA merger is threatened because a financial structure to the post-merger organisation cannot be agreed; the General secretary of
SOGAT stating that 'it is apparent we cannot, as the figures show, merely have a coming together of the two unions based on old structures, especially financial ones' (quoted in The Guardian, 18 October, 1986: 2).

It is likely, however, that the pressure to achieve greater influence within the national polity will continue to promote interest in merger activity. High unemployment and, hence, reduced union bargaining strength is perceived by trade unionists as emanating directly from the present Conservative government's economic policies. To achieve influence within the national polity, particularly should a Labour government be elected, is, therefore, viewed by trade union officials as allowing them to bring enhanced influence to bear on the policy options that will be adopted. Further promoting this tendency is the continued factionalism within the TUC and the Labour Party regarding these policy options. The AEU/EETPU, 'Union 2000' and ASTMS/TASS merger proposals demonstrate the influence of these factors as they all involve unions which have adopted similar political stances. To conclude, therefore, it would seem likely that if the rate of unemployment and technical change remain high and union membership stable or declining, then merger intensity will remain marked; its future direction most strongly influenced by political factors.
FOOTNOTES

1. The formation wave 1889-93 is inferred from both the shape of the graph on the formation rate (Figure 2.6) and from various commentaries on the period; for example, Hobsbawm (1964) and Lovell (1977).

2. For the major contributions to this debate see Clegg (1975), Fox (1973 and 1975), Hyman (1978), Wood (1976) and Wood and Eliot (1977).
APPENDIX A

PRINCIPAL AND SECONDARY DATA SOURCES

The first section of this appendix details, on an annual basis, the primary data extracted from the Department of Employment records on which this study is based. The second and third sections describe how these series were constructed. The forth section refers to the sources for the secondary data utilised throughout the study.

**TABLE A.1 THE PRIMARY DATA**

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**Compilation of the Merger Series**

The base data

The merger series for this study is based upon records kept by the Department of Employment and its predecessors for the years 1893 - 1983 which are now maintained at the University of Warwick. For each trade union the Department of Employment recorded the date of its 'birth', annual membership at each year end for the course of its 'life' and the manner and date of its 'death' if it did not survive beyond 1983. From this information it is possible to compile a list of mergers for each year of the period and attach to the unions involved in each merger their membership figure. For an assessment of the strengths and weaknesses of the operational definition of a trade union used by the Department of Employment see Bain and Price (1980:2-4 and 12-14).

The series derived from the Department of Employment's records was checked against the information on mergers held by the Certification Officer, the Chief Registrar of Friendly Societies and the TUC. The records of the Certification Officer published in the Annual Reports of
the Certification Officer date from 1976 and include a breakdown of mergers into amalgamations and transfers of engagements as defined by the Trade Union (Amalgamation) Act 1964.

In a number of instances the Chief Registrar reported a merger whereas the Department of Employment recorded a dissolution for the same union. These instances were concentrated in the early years of the period under study. These discrepancies were checked by reference to other sources, primarily union histories. The checks revealed that several of the unions recorded as dissolving did so in order to merge, the dissolutions enabling these unions to circumvent the provisions of the legislation operative at the time. Where a merger was verified, it was added to the series and the record of a dissolution removed from that on dissolutions.

The Annual Reports of the TUC also include details of mergers involving TUC affiliated unions, but the Department of Employment's population of unions was, throughout the course of the period under discussion, considerably larger than those compiled by other organisations. Unions included in the Reports of the Certification Officer and the Chief Registrar are those voluntarily registered under the terms of the Trade Union Act 1871 and, latterly, the Trade Union and Labour Relations Act 1974. The Donovan Commission (1968: para. 789) reported that registered unions 'together account for over 85 per cent of total trade union membership'. It is, therefore, likely that the outstanding 15 per cent of trade union membership is to be found in a number of smaller trade unions which would not derive substantial benefit in terms of exemption from income tax in respect of interest and dividends applied solely to provident benefits which is conferred on
registration. Similarly, the coverage included by the TUC is devoted exclusively to TUC affiliated unions or mergers in which one of the merger partners was a TUC affiliated union thereby restricting coverage.

It is likely that the checking procedures carried out are 'weighted' in terms of the accuracy of the final merger series in favour of the larger unions. Not only might mergers involving smaller unions be excluded from the series but whether unions dissolved in order to merge is impractical to check in every instance and, therefore, may lead to further limited distortion. The effect of any failure to check all dissolutions is likely to be marginal, however, as the procedure of dissolving in order to merge was practiced primarily among larger unions when it was felt that the legislative requirements set a goal, in terms of membership vote, that was impossible to achieve if a merger was to be successfully concluded. The merger series is likely to be more complete in the later years of the period studied. This is because the structure of unionism in the early years was characterised by a large number of smaller unions, some of which may have escaped the attention of the Department of Employment.

In an attempt to 'capture' any outstanding mergers arising from the deficiencies mentioned above reference was made to other sources and trade union histories. It should be emphasised that the review of trade union histories was by no means systematic; the task of reviewing all such histories being beyond the scope of a study of this nature.

The Dating of Mergers

For each trade union the Department of Employment maintained membership records until the year preceding the 'death' of the union irrespective of how this death took place. A record was also kept of how
the death occurred. In the case of a merger the date of the merger was taken to be the year after the last entry for membership. As the Department of Employment recorded membership as of 31 December of the year rather than at the exact date of the merger, it is inevitable that some discrepancy in dating may result. Indeed, in the 'worst case', a merger occurring on 30 December, the membership figure may be almost one year out of date. Taking into account the large number of mergers it is not practical to date the mergers exactly and then determine the precise membership of the unions concerned.

Where possible the dates of mergers were cross-checked against the records of the TUC and the Certification Officer or its predecessor. The TUC Annual Reports were, however, not particularly useful in this respect as the year to which they apply runs from mid-calendar year to mid-calendar year which, when coupled with no precise date for each merger, allows for a check to be made only within two calendar years. The Certification Officer's Reports were compiled on the same annual basis as that utilised by the Department of Employment and were more useful as a check on dating. The overwhelming majority of the discrepancies between these two sources amounted to no more than one year. Such discrepancies can be explained in terms of the procedures employed by the Certification Officer to obtain registration and that unions involved in mergers may not have immediately cancelled their registration. If a date could not be confirmed, the date provided by the Department of Employment was used. This option was chosen as a 'last resort' because the Department of Employment records, in effect, consist of two sources. The first being the membership records of the 'acquired' union and the second being the reference number of the union to which
the acquired union was transferred, thereby allowing for a cross-check on the membership increase of the acquiring union.

As in the compilation of any such series, a limited number of extreme cases were upturned. It is not the intention to describe each of these separately. However, a comment of the timing of events surrounding the merger of the TGWU and the North Wales Quarrymen (NWQ) will inform the reader of the procedures adopted to resolve such anomalies. From the Department of Employment's records the merger between these two unions took place in 1923, whereas the TUC reported the merger for 1960. Why is there a discrepancy of almost forty years?

Resulting from merger negotiations held in September 1922 agreement was reached whereby the NWQ maintained the autonomy of conducting its internal affairs, existing legal benefits were to remain unchanged and it would affiliate as a separate union to the TUC. The TGWU would, however, take over the financial obligations of the NWQ. This arrangement was beneficial to both unions for it allowed the TGWU additional representation within the TUC and afforded the NWQ the right to nominate for the General Council which it would otherwise have lost as it ceased to be an independent union. The merger agreement operative from 1923 enabled the General Secretary of the NWQ to sit on the TUC General Council as a representative of the Mining and Quarrying trade group while the TGWU could nominate only in the Transport (other than railways) trade group. For this reason the NWQ retained its separate affiliation with the TUC until 1960 when further TUC reorganisation precluded the holding of the additional General Council seat. For the purposes of this study the merger is considered as being operative from 1923 as at this time an additional TGWU region was constituted in North
Wales which elected representatives to the TGWU National Executive and the General Secretary of the NWQ became a TGWU national official. The point is that the NWQ lost its identity as a separate union, the maintenance of a separate affiliation being no more than part of a strategy to retain additional representation by the TGWU on the TUC General Council.

The 'Value' of a Merger

For the purposes of this study the 'value' of a merger refers to the membership involved. Before discussing in detail how value is attributed to mergers, a word of caution regarding membership figures is required. Trade union membership figures recorded by the Department of Employment are supplied directly by trade unions to the Department. This introduces 'three sources of bias' into the membership statistics. Bain and Price (1980:15) list these as being substantial differences in unions' definitions of what constitutes paid up membership, the imperfect systems of recording and maintaining membership information of many British trade unions and that unions may inflate their membership figures for 'reasons of prestige, inter-union rivalry or publicity; or they may deflate them in order to avoid paying higher affiliation fees to the TUC and other external bodies'. Without question these factors act to distort the series and their effect is likely to be more pronounced during the earlier years of the period when the collation of union membership records was less sophisticated than in recent years. Bain and Price state, however, that

the character of the statistics suggests that this element (of error) is generally slight and by no means of a type to inhibit their use as an indicator of both the level and rate of change of British trade union membership.
As it is the 'level' of trade union membership with which this study is concerned the issues mentioned above will not be considered as vitiating the use of the Department of Employment's membership data.

Buchanan employs the following procedure for determining the value of a merger:

Mergers have been recorded here as those unions and members which were acquired by the largest or larger unions involved (1974:37).

This, as Buchanan concedes, is a procedure derived from a method employed by the Department of Trade and Industry in measuring company mergers. The Department outlined its measure as follows:

Mergers of the type where A and B were acquired by a newly-formed C have been included as if the larger (in net assets) of A and B had acquired the smaller (1970:3).

For this study the same measure is employed.

It should be recognised that this measure necessarily introduces a degree of ambiguity into the notion of merger value. This degree of ambiguity arises from the failure to date mergers exactly. Minor shifts in time may lead to what is, at least in value terms, a similar set of events producing different results as the following example illustrates. Assume that three unions A, B and C have memberships of 100,000, 50,000 and 25,000 respectively. If A were to absorb B and C, a total membership of 75,000 would be acquired in terms of the value series. However, if B were to acquire C to form D and then A were to acquire D in separate mergers, the total membership acquired would be 100,000 (25,000 in the formation of D plus 75,000 as A acquired D). The central point here is that there is no unambiguously 'correct' index for merger activity. A variety of measures are, therefore, employed throughout the study all of which are based upon this principle of assigning value to a merger. All
of these measures can be faulted to a degree. The 'appropriateness' of each index is dependent upon the nature of the task in hand.

THE SERIES ON FORMATIONS, DISSOLUTIONS AND BREAKAWAYS

These three series were derived from the Department of Employment records in order to be consistent with those on trade union mergers.

Formations

The Department of Employment records usually include the date of formation for each union constituted throughout the period covered by the study. This date is substantiated within the same record through the entry of a membership figure for the new union which applies to the end of the year of formation. Two variants from this 'norm' were discovered. Firstly, where there is no specific formation date provided, but membership figures are available. In such cases it is assumed that the date of formation is the year for which the initial membership figure is provided.

Secondly, where a formation date is provided but the membership figures commence from a year subsequent to that to which the formation is ascribed, the formation date employed in the formation series is that provided by the Department of Employment. This procedure is also applied where the interval between the formation date and the initial membership figure is small. In the limited number of instances where this gap is large (greater than four years) a cross-check was attempted by reference to union histories and source books. This sort of check was possible in a restricted number of cases and revealed the Department of Employment formation date to be accurate, the original omission applying to the
membership figures. Where a check was not possible the formation date provided by the Department of Employment was, therefore, used.

Despite relying upon a formation date cross-referenced with an initial membership figure, it is likely that there is a degree of unwanted lagging in the series. This is attributable to the delay in registering with the Department of Employment. As such it is unavoidable for the only means whereby this may be remedied is to trace each formation as a separate event. Clearly, such a task constitutes the basis of a study in its own right. Given the large number of formations and that the likelihood of this source of error being systematic is limited, it is assumed that its impact upon the recorded rate of formations is marginal.

Dissolutions

Included in the Department of Employment records are the date and manner of a union's 'death' which coincides with the cessation of membership figures applicable to the union in question. If the manner of death was dissolution, a record was entered into the dissolution series. As is mentioned above, in some instances a dissolution was reported by the Department of Employment whereas, for the same union(s), the Chief Registrar of Friendly Societies records a merger. These instances were cross-checked, where possible, by reference to other sources. Where it was discovered that merger was the object of dissolution an entry was made to the merger series and a deletion from the dissolution series. The point here is that dissolution is regarded as the end point for organisational instability. Dissolution as an intermediary stage of a strategy to merger does not constitute such an end point but represents a tactic to overcome legislative restriction.
Breakaways

Of the series covering trade union structural events, it is that on breakaways that is most open to question. Those unions reported within the Department of Employment records as a 'secession' form the basis of the breakaway series. Reliance upon this single source introduces a degree of ambiguity for it is only this record of the union being a secession that separates it from being a formation. In other words within the Department of Employment series it is not possible to cross reference and thereby confirm a breakaway. If this record of secession was omitted, the breakaway would be recorded in the formation series. As a consequence the formation series is likely to be overstated and that on breakaways understated. The implications of this degree of inaccuracy are, however, likely to be more pronounced for the breakaway series as this 'type' of structural event is more infrequent than formations.

Reference to further sources is limited for, as Lerner comments, 'most splinter [breakaway] unions die after a short period' (1961:197). Hemingway (1978:174-75) provides corroborating evidence for the period following World War II. For the preceding years cross-checks were achieved by reference to general sources such as Clegg, Fox and Thompson (1964) and Clegg (1985). Case study material specifically covering breakaways was limited to that of Lerner (1961) and various union histories.

Three 'exceptional cases' were unearthed from the Department of Employment series. These refer to instances where a merger agreement was ratified, amalgamation entered into, only to be followed by a failure to achieve full integration thereby promoting a split into the original constituent unions. These three instances were not included in the
breakaway series. This exclusion is justified on the basis that the unions involved maintained independence of operation within the terms of the merger agreement. The impact of the organisational influences on merger activity could be further examined by studying these instances.
Aggregate Number of Unions. The figures covering the number of unions for 1892 - 1968 are from British Labour Statistics: Historical Abstract (London: HMSO, 1971) table 196. For 1969 - 83 the figures are taken from various issues of the Employment Gazette.

Number of Unions Disaggregated by Size Group. The figures are extracted from various issues of the Employment Gazette, for example, Vol. 60 (February 1982), 54-55. The publication of the union size group series has had a mixed history and, as a consequence, analyses based upon it should be treated with some circumspection. For example, between 1938 and 1960 the series was published only in a 'provisional' form: that is, before returns were received from all unions. As a result there is an understatement implicit in the series regarding the number of included unions. This is likely to result in a bias with respect to the data relating to smaller unions in particular. The selected size groups are also not constant throughout. Between 1958 and 1960 unions with under 500 members were included in a single size group whereas before and after this period two size groups were employed, 'under 100 members' and '100 - 499 members'. Similarly, prior to 1958 the largest size group is that comprised of unions organising '100,000 and over' whereas since 1959 a '250,000 and over' category has been introduced.

Trade Union Membership. The trade union membership figures are taken from the series published in Bain and Price (1980) covering 1892 - 1974. Figures for 1975-79 were unpublished data provided by kind permission of the authors. A description of the assembly of this series is included in
Bain and Price (1980:13-15). As this series has yet to be extended to cover the years 1980-83 it was spliced with figures published in the *Employment Gazette* for these years.

*Concentration Ratio.* The membership figures for the ten largest unions in any year are taken from the *TUC Annual Reports*. The extracted figures apply to specific unions and therefore exclude those relating to federations. In calculating this series, for example, the Miners' Federation of Great Britain is regarded as being comprised of a number of unions rather than as a single entity. Where unions have merged yet retained separate TUC affiliation the membership of the absorbed union is included in that of the acquiring union should the latter be one of the largest ten unions.

*Union Membership Density.* The union membership density figures for 1892 - 1974 are taken from Bain and Price (1980). For 1975-79 unpublished data in the same series was kindly provided by the authors. An assessment of the strengths and weaknesses of the 'potential union membership' series, the numerator of the union membership density measure, is provided in Bain and Price (1980:18-20).

*Federations.* The figures covering the number of federations are extracted from various issues of the *Employment Gazette*; see for example, October 1936, page 357.

*Retail Prices.* For 1892 - 1970 the figures are taken from Bain and Elsheikh (1976:134-35). The figures for 1969-83, comparable to those
covering 1950-68, were supplied by the Department of Employment. The compilation of this index together with an analysis of its merits and limitations is available in Bain, Bacon and Pimlott (1972: 107-9).

Productivity. The index was taken from Feinstein (1971), covering 1892 - 1965. For 1966-83 the series was derived from data supplied in the Employment Gazette manipulated in a manner so as to be consistent with the Feinstein series.

Manufacturing Company Mergers. The series employed is that compiled by Hannah covering 1892 - 1979. The methods underlying its construction and a description of its strengths and weaknesses are provided by Hannah, (1974:1-20) and (1983,Appendix 1).

Wage Rates. For 1892 - 1970 the figures are taken from Bain and Elsheikh (1976:134-35). The figures covering 1969-83 were provided by the Department of Employment. Bain, Bacon and Pimlott (1972:105-7) discuss the compilation, merits and weaknesses of the index. In particular it should be noted that figures are not available for the years.1937 and 1939. Following Bain and Elsheikh a figure for 1937 was obtained by taking the mid-point between those for 1936 and 1938. A similar approach could not be used to derive a figure for 1939 as the gap between those for 1938 and 1940 is too large. There is, therefore, no figure in the index for 1939.

Unemployment. For 1892 - 1965 the data used are those compiled by Feinstein (1971). The figures for 1966-83 were derived from those
released in the *Employment Gazette* manipulated so as to be consistent with the Feinstein series.

**Number of Trade Union Sponsored MPs.** Mullen (1977) was the source of the data between 1900 and 1917. For 1918-75 the figures were taken from Butler and Sloman (1975). For 1976-79 the data were obtained from the Labour Research Department.

**State Expenditure as a Proportion of GNP.** For 1895, 1905, 1910, 1913, 1915 and 1917-55 the figures were taken from Peacock and Wiseman (1961). The data covering the period 1956 to 1979 were taken from various issues of *National Income Expenditure* published by the Central Statistical Office.

**Union Funds.** The source of the data for 1892 - 1970 are the various reports of the Chief Registrar of Friendly Societies. For example, *Report of the Chief Registrar of Friendly Societies 1961*, (London: HMSO, 1962) Part 4, (Trade Unions), tables on page 7 and 9-10. For 1976-79 the figures were extracted from the annual reports of the Certification Officer. A strategy employed by the TUC in its resistance to the Industrial Relations Act was to discourage its affiliates from registering under the Act. Therefore, for 1971-5 little financial information is published and that which is excludes coverage of unions affiliated to the TUC. These years were, therefore, regarded as missing values. Tables 7.2 and 8.4 include the data series on union funds.
Strikes. For 1893-1974 the data were taken from Cronin (1979), Appendix B. The data covering 1975-83 were obtained from various issues of the Employment Gazette.

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APPENDIX B

CORRELATION COEFFICIENTS

The following tables detail the simple correlation coefficients between the different regressors employed in the reported regressions.

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**The Operation of Institutionalised Industrial Relations: 1946 - 1979**

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## APPENDIX C

### REGRESSON RESULTS, ECONOMIC, UNIONISATION AND POLITICAL VARIABLES:

**DEPENDENT VARIABLE, INTENSITY**

**1893 - 1939**

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**1946 - 1979**

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**APPENDIX D**

**TABLE D.1**

PRINTING INDUSTRY MERGERS: 1893 - 1924

Where: Union names in italics are those formed in the merger.

The last union name provided in each merger is the acquiring union.

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National Graphical Association 1964 |
| 3   | 1968 | Amal. Soc. of Lithographic Printers and Auxilleries 1880  
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| 4   | 1968 | H.M.S.O. Machinery Repair Staff Association  
General and Municipal Workers' Union 1924 |
| 5   | 1972 | Sign and Display Trade Union  
Nat. Society of Operative Printers and Assistants 1889 |
| 6   | 1973 | United Society of Engravers  
Soc. of Lithographic Artists, Designers, Engravers and Process Workers |
| 7   | 1975 | Scottish Graphical Association  
Society of Graphical and Allied Trades 1921 |
| 8   | 1979 | Nat. Union of Wallcoverings, Decorative and Allied Trades  
National Graphical Association 1964 |
| 9   | 1982 | SLADE  
National Graphical Association 1964 |
1982  Nat. Society of Operative Printers and Assistants  1889
Society of Graphical and Allied Trades  1921
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### APPENDIX E

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